## DRINKING WATER BOARD PACKET

JANUARY 14, 2009

SALT LAKE CITY, UTAH

### **AGENDA**

FOR THE

## DRINKING WATER BOARD MEETING

OF

JANUARY 14, 2009



JON M. HUNTSMAN, JR.

Governor

GARY HERBERT Lieutenant Governor

## Department of Environmental Quality

Richard W. Sprott Executive Director

DIVISION OF DRINKING WATER Kenneth H. Bousfield, P.E. Director Drinking Water Board Anne Erickson, Ed.D., Chair

Myron Bateman, Vice-Chair

Ken Bassett

Daniel Fleming

Jay Franson, P.E.

Helen Graber, Ph.D.

Paul Hansen, P.E.

Petra Rust

Richard W. Sprott

David K. Stevens, Ph.D.

Ron Thompson

Kenneth H. Bousfield, P.E.

Executive Secretary

## DRINKING WATER BOARD MEETING

#### JANUARY 14, 2009 12:00 p.m.

Place: DEQ's Offices 168 North 1950 West, Room 101 Salt Lake City, Utah 84116

Ken Bousfield's Cell Phone #: (801) 674-2557

- 1. Call to Order Chairman Erickson
- 2. Roll Call Ken Bousfield
- 3. Introductions Chairman Erickson
- 4. Approval of Minutes November 12, 2008
- 5. Arsenic Exemption Public Hearing
- 6. SRF/Conservation Committee Report Vice Chairman Myron Bateman
  - 1) Status Report Ken Wilde
  - 2) Project Priority List Ken Wilde
  - 3) SRF Applications
    - a) Discussion on Interest & the Hardship Grant Assessment Ken Wilde
    - b) St. George City Michael Grange
    - c) Blanding City Planning Rich Peterson
    - d) Tridell LaPoint Planning Gary Kobzeff
    - e) Veyo Culinary Water Association Planning Gary Kobzeff
    - f) Kingston Town Rich Peterson
    - g) Hyde Park Julie Cobleigh
    - h) Corinne City Jesse Johnson
    - i) Hinckley Town Report Ken Wilde
  - 4) Consideration on Name Change Ken Wilde

- 7. 2009 Approved Drinking Water Board Meeting Schedule
- 8. Rules R309-700 and 705: Set Rule Effective Date Ken Wilde
- 9. Proposed Rule Amendments to: Rule R309-800 Michael Grange
- 10. Proposed Substantive Rule Amendments Bill Birkes and Bob Hart
  - a) R309-500-6(3)(b) Waiting of Plan Submittal Requirement
  - b) R309-510-5 Reduction of Sizing Requirement
  - c) R309-520-11 Ozone Reference
  - d) R309-525-11(b)(c)(v) Day Tank Drain Requirements
  - e) R309-530-6(5)(c) Filtration Rate Range
  - f) R309-545-15(1) and (2) Storage Tank Vent Design
- 11. Informational Discussion on Source, Storage, and the Instantaneous Demand for Irrigation in Drinking Water Regulations R309-510-7(3) and How it Differs from Water Rights Bill Birkes
- 12. Status of Alta's Antimony Treatment Plant Ken Bousfield
- 13. Rural Water Association's 2009 Annual Conference
- 14. Utah Water Users' 2009 Annual Conference
- 15. Rural Water Association of Utah Report
- 16. Letters
- 17. Chairman's Report Chairman Erickson
- 18. Directors Report
  - a) Division Staff On-the-Spot Awards
  - b) Status Report on the Congressional Economic Recovery Appropriation
- 19. Next Board Meeting:

Date: March 5, 2009

Time of Board Meeting: 2:00 p.m. Location: Dixie Convention Center

1835 Convention Center Drive, (Garden Room)

St. George, Utah 84770

- 20. Other
- 21. Adjourn

In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Brooke Baker, Office of Human Resources at: (801) 536-4412, TDD (801) 536-4424, at least five working days prior to the scheduled meeting.

### AGENDA ITEM 4

APPROVAL OF THE

NOVEMBER 12, 2008 MINUTES



JON M. HUNTSMAN, JR. Governor

> GARY HERBERT Lieutenant Governor

#### Department of **Environmental Quality**

Richard W. Sprott Executive Director

DIVISION OF DRINKING WATER Kenneth H. Bousfield, P.E. Director

**Drinking Water Board** 

Anne Erickson, Ed.D., Chair Myron Bateman, Vice-Chair Ken Bassett **Daniel Fleming** Jay Franson, P.E. Helen Graber, Ph.D. Paul Hansen, P.E. Petra Rust Richard W. Sprott David K. Stevens, Ph.D. Ron Thompson Kenneth H. Bousfield, P.E. Executive Secretary

#### MINUTES OF THE DRINKING WATER BOARD MEETING HELD ON NOVEMBER 12, 2008 IN SALT LAKE CITY, UTAH

#### **Board Members Present**

#### Anne Erickson, Chairman

Myron Bateman, Vice Chairman

Ken Bassett **Daniel Fleming** Jay Franson

Helen Graber, Ph.D.

Paul Hansen Petra Rust Rick Sprott

David Stevens, Ph.D.

Ron Thompson

#### <u>Staff</u>

Ken Bousfield

Ken Wilde Patti Fauver Kate Johnson Rich Peterson Julie Cobleigh Michael Grange

#### Guests

Robert Worley, Sunrise Engineering Doug Nielsen, Sunrise Engineering

Ryan Taylor, Neola Town Jon Sebba, Nolte Associates

Steve Sheffey, U.S. Army Dugway PG Corey Cram, Washington WCD

Scott Archibald, Lincoln CWA Jeremy Jensen, Lincoln CWA

Clyde Watkins, Rural Water Association Dale Pierson, Rural Water Association Chuck Jeffs, Rural Water Association

Curtis Ludvigsen, Rural Water Association

#### Staff Continued

Mike Georgeson Jesse Johnson Gary Kobzeff Don Lore Sandy Pett Linda Matulich

#### ITEM 1 – CALL TO ORDER

The Drinking Water Board meeting convened in Salt Lake City, Utah with Chairman Erickson presiding. The meeting was called to order at 12:00 p.m.

#### ITEM 2 – ROLL CALL

Chairman Erickson asked Ken Bousfield to call roll of the Board members. The roll call showed there were 11 members present at the time.

#### ITEM 3 – INTRODUCTIONS

Chairman Erickson welcomed everyone and asked the guests to introduce themselves.

#### ITEM 4 – APPROVAL OF MINUTES – SEPTEMBER 10, 2008 AND OCTOBER 15, 2008

September 10, 2008

Chairman Erickson stated a motion was in order to approve the September 10, 2008 Drinking Water Board minutes.

Paul Hansen moved to approve the September 10, 2008 Drinking Water Board minutes.

Danny Fleming seconded.

CARRIED (Unanimous)

October 15, 2008

Chairman Erickson stated a motion was in order to approve the October 15, 2008 Drinking Water Board minutes.

David Stevens moved to approve the October 15, 2008 Drinking Water Board minutes.

Ken Bassett seconded.

## CARRIED (Unanimous)

#### ITEM 5 – SRF/CONVERSATION COMMITTEE REPORT

1) Renewal of the Rural Water Association of Utah's Agreement

Ken Wilde reported the 2008 budget of \$111,744 was used in figuring out the 2009 budget for the Agreement with the Rural Water Association and the Division of Drinking Water. Rural Water Association sent the 2009 budget to the Division of Drinking Water with an increase of 8 – 9% to \$121,124. New budget was just submitted by the Rural Water Association (RWAU) on November 10, 2008.

The Rural Water Association will run out of money in mid December. Rural Water will complete the 2008 Agreement work using some of their own money.

Dale Pierson and Clyde Watkins addressed the Board.

Dale Pierson and Clyde Watkins reviewed the work that has been completed in the 2008 Agreement. They asked the Board to increase the budget to \$121,124 for 2009 and answered questions from Board members about the increase.

Page 7 of 147

The Scope of Work is fairly basic:

#### **RWAU/DDW Water Education Program**

- Provide education to County governing bodies on Capacity Development needs of new water systems.
- Provide education to County Planning Commissions on Capacity Development needs of new water systems.
- Assist Counties in developing Capacity Development, Construction, and Regionalization Requirements for new water systems.
- Assist Counties in determining the proper Culinary Water Authorities within their jurisdiction.
- Assist the UDDW in making Capacity Development Assessments of systems making application for funds under the State SRF Program.
- Provide education to the general public on drinking water issues.
- Assist water systems with specific public education needs, Assist and participate in Water Week activities including generation of materials and activities.
- In conjunction with the RWAU Source Water and Ground Water Protection programs, Assist Counties in Developing Source Protection Ordinances.
- Act as a liaison between and in concert with UDDW and County Governing Bodies. Discussion followed.

Myron Bateman stated a motion was in order to approve the Division of Drinking Water and the Rural Water Association of Utah's recommendations.

Petra Rust moved the Board approve the Rural Water Association's proposal, and directed staff to proceed in preparing the contract with the Rural Water Association. The cost of the contract will be paid from the Hardship Grant Funds, and will run through 2009. The contract will be renewable, if it is mutually acceptable. The Executive Secretary will be given the authority to pay for all of the cost or part of the cost of the contract from another source of funding, if one can be found.

Helen Graber seconded.

**CARRIED** 

10 voted yes.

Danny Fleming abstained.

Page 8 of 147 3

#### 2) Status Report

Ken Wilde reported on some successes recently. Fifetown, in Central Iron County, is completed. Fifetown is off of the 25 Worst Drinking Water Systems List. The Board funded the Sky View Estates project, which is part of the Central Iron County Water Conservancy District. The Board gave Mountain Regional Special Service District a \$3,000,000 loan. The Long Valley Estates, in Kane County, hasn't closed yet, but is proceeding. Long Valley Estates is doing some of their design work with some savings they had from a previous phase. Garden City is closed, and they are proceeding with their water treatment plant project.

Ken Wilde mentioned the State loan fund balance is almost \$200,000. The Board receives about \$360,000 in tax revenue each month. The Board has been progressive in keeping the projects flowing and authorizing projects. The Board has \$12,000,000 in the bank. The Board will receive \$5,500,000 from principal repayment, interest, grant money, and sales tax revenue over the next 12 months. Ken said Parowan City closed their project on November 6, 2008.

Ken Wilde reported that the Federal loan fund balance is \$7,000,000. The Board just received a capitalization grant in September 2008. The Board will be receiving \$13,000,000 over the next 12 months. The Federal loan fund has the potential of having \$20,000,000 for the next year (sum of \$7M and \$13M). The Board had a teleconference call on an emergency project for Canyon Meadows Mutual Water System, who closed their project on December 5, 2008.

#### 3) Project Priority List

Ken Wilde reported there are 4 new projects on the Project Priority List. Ken said staff is recommending that the Board approve the new Project Priority List.

Myron Bateman stated a motion was in order to approve the updated Project Priority List.

Jay Franson moved the Board authorize the updated Project Priority List by adding: Toquerville City, Lincoln Culinary Water System, Hinckley Town, and Canyon Meadows Mutual Water Company.

Petra Rust seconded.

## CARRIED (Unanimous)

Ron Thompson left the Board meeting.

- 4) SRF Applications
  - a) Dixie Deer Special Service District Rich Peterson

Rich Peterson reported Dixie Deer Special Services District (SSD) is requesting a planning advance. The cost estimate is \$20,750. Dixie Deer SSD hopes to get a \$9,850 grant for their master plan from CIB. Dixie Deer SSD doesn't qualify for a grant. Dixie Deer SSD has anticipated their water bill is at 1.12% and their local MAGI is at 84%. Staff had a conference

Page 9 of 147 4

call with Dixie Deer SSD a couple of weeks ago and their cost has increased by \$1,000. The SRF/Conservation Committee is recommending the Board authorize a \$10,900 planning loan at 0% for 5 years.

Myron Bateman stated a motion was in order to approve the SRF/Conservation Committees recommendations.

David Stevens moved the Board authorize the SRF/Conservation Committee's recommendation of a \$10,900 planning loan at 0% for 5 years to Dixie Deer SSD. Dixie Deer SSD will pay approximately \$2,180 annually, beginning one year from the day the loan agreement is signed. Dixie Deer SSD will have an option to roll the balance of the loan principle into a future construction loan at an interest rate established when the construction project is authorized.

Petra Rust seconded.

CARRIED (Unanimous)

Ron Thompson returned.

b) LaVerkin City – Rich Peterson

Rich Peterson reported LaVerkin City is requesting a planning advance for \$21,600. LaVerkin City's anticipated water bill is 1.89%. LaVerkin City's MAGI is 80% of the State MAGI. The SRF/Conservation Committee is recommending a planning grant of \$21,600.

Danny Fleming moved the Board approve the \$21,600 planning grant to LaVerkin City to fund their master plan on the condition that they address all of the items listed in their compliance report.

Ken Bassett seconded.

## CARRIED (Unanimous)

c) Neola Town – Rich Peterson

Rich Peterson reported Neola City was told that they don't qualify for grant money after the staff reviewed their request. Neola City has reduced the scope of work for their project. Neola City still needs help with some funding in the amount of \$85,000.

Rich Peterson said staff is recommending the Board authorize a construction loan of up to \$85,000 with the same rates as shown with a 5 year term. Neola City anticipates paying it off more quickly using CIB funds.

Ryan Taylor, Neola City representative, was available answer any questions from the Board.

Discussion followed.

Page 10 of 147 5

Ken Bassett moved the Board approve a construction loan of up to \$85,000 at 3.56% for 5 years. The loan origination fee will be 1.0% (or \$850). The conditions include that Neola City resolves the appropriate issues in their compliance report.

Petra Rust seconded.

## **CARRIED** (Unanimous)

d) Hinckley Town – Rich Peterson

Rich Peterson reported that the Hinckley Town was required to install a water treatment plant for their arsenic water problem several years ago. The project was funded by the CIB. There was some money left over, but Hinckley Town didn't know how much. Hinckley Town replaced some asbestos cement pipe that was missed. Hinckley Town doesn't have enough money now to pay to the bills to the contractor. CIB will not fund the cost over run. Hinckley Town has come to the Drinking Water Board for help. Hinckley Town was anticipating and still hoping for a grant. The residents have doubled their base rate already. Hinckley Town was just below the criteria of the MAGI at 1.69%, when the packet was being printed.

Robert Worley, Sunrise Engineering representing Hinckley Town, was available for any questions from the Board. Robert Worley, Sunrise Engineering, addressed the Board, because the Mayor could not get off work.

Discussion followed.

Ken Bassett moved the Board authorize a loan of up to \$85,000 at 2.56% for 20 years to replace their distribution lines with the condition they resolve appropriate issues on their compliance report including receiving an operating permit for their new water treatment plant.

Anne Erickson seconded.

Discussion on motion.

Jay Franson amended the motion to include that the town, their engineering company and Division staff run the numbers through to see if there is any grant money available, and there would be a continuation of this process. Hinckley Town will negotiate with the contractor. There may be an interest payment for the contractor. But Hinckley Town will not pay off the total, but work with the contractor so there is an interest payment. That is something the firm could do and make an interest payment or a progress report. Hinckley Town will work on finding something that would fit with the grant over the next couple of months. Hinckley Town will bring a complete performance sheet back showing where they are at in the process.

Discussion on amendment.

Ken Bassett accepted the additional information to the motion.

Discussion on motion continued.

Page 11 of 147 6

#### Anne Erickson seconded.

Discussion continued.

Myron Bateman restated the amended motion: Amend the original motion to approve the loan based of \$85,000 at 2.65% for 20 years. Allow staff to work with the engineering company and the city to see if there are any other variances.

Jay Franson said his amendment was not to approve the loan. That will be separate. My amendment is: If the amendment and the loan are approved and passes, then the information will be added to the motion. If it doesn't pass, then it is back to the original motion.

Discussion on amended motion.

Hinckley Town would be able to accept the loan at the terms given, or Hinckley Town can come back to the Board for some grant money.

Ken Wilde said this agenda item could be tabled so Hinckley Town and staff can come up with some recommendations to receive some potential grant money. If Hinckley Town decides not to accept the loan, staff will come back to the Board in two months to approve a new request. Hinckley Town can accept the loan money or present a new request to the Board to reconsider and give Hinckley Town some grant money.

Petra Rust voted yes.

10 voted no.

#### **MOTION FAILED**

Myron Bateman restated the original motion made earlier by Jay Franson and seconded by Anne Erickson.

10 voted yes.

Helen Graber abstained.

#### **CARRIED**

Chairman Erickson commented that she would like a report on Hinckley Town's request at the next Board meeting to see where we are at on this project.

e) Lincoln Culinary Water Company – Michael Grange

Michael Grange reported that Lincoln Culinary Water Company is requesting \$450,000 in financial assistance to construct a 200,000 gallon concrete culinary water storage reservoir and a chlorination building. The new water storage reservoir will increase the storage capacity and water pressure to comply with the Drinking Water Rules. By constructing a new water storage reservoir, the 100 IPS points currently assessed on the water system will be resolved.

Page 12 of 147

Jeremy Jensen, Sunrise Engineering, and Scott Archibald, representing the Lincoln Culinary Water Company, were available to answer any questions and address the Board.

Scott Archibald addressed the Board.

Discussion followed.

Ron Thompson moved the Board authorize a \$450,000 construction loan at 2.63% interest for 30 years with \$90,000 in principal forgiveness to Lincoln Culinary Water Company for the construction of a new 200,000 gallon concrete culinary water storage reservoir and a chlorination building.

David Stevens seconded.

CARRIED (Unanimous)

Discussion on motion.

Ken Wilde addressed the Board about the project. The Board will review this project later.

Danny Fleming left the Board meeting.

f) Apple Valley Town – Rich Peterson

Rich Peterson reported Apple Valley Town is in the process of creating a regionalization water system. Apple Valley Town does not provide water to the residents. The residents are served by two private water companies.

Rich mentioned because of Apple Valley Town's efforts on this project, staff is recommending a planning grant of \$18,000 to help prepare a master plan.

Ron Thompson said he was very familiar with the Apple Valley Town drinking water problems and updated the Board.

Jay Franson moved the Board authorize an \$18,000 planning grant to the Town of Apple Valley to prepare a culinary water system master plan and to investigate the feasibility of creating a regionalized water system. Conditions include resolving appropriate issues on the compliance reports of both Apple Valley Water Company and Cedar Point Water Company.

Ron Thompson seconded.

CARRIED (Unanimous)

Danny Fleming returned.

Page 13 of 147

#### ITEM 6 – 2009 DRINKING WATER BOARD MEETING SCHEDULE

Chairman Erickson asked the Board for their input on the 2009 Board meeting schedule.

Discussion followed.

Ron Thompson moved the Board approve the meeting schedule for 2009.

Helen Graber seconded.

Chairman Erickson asked the Board for their input on continuing with the tours that have been provided by staff.

Petra Rust mentioned the July 8, 2008 and September 9, 2009 Drinking Water Board meetings fall on a holiday week. This could be a problem for anyone taking a vacation during the two scheduled Board meeting times.

Chairman Erickson asked Ken Bousfield to plan some tours for the Board on the dates where a location has not been scheduled yet.

Discussion on where to have some of the Board meetings and tours followed.

Ron Thompson moved to keep the January 14, 2009 and March 5, 2009 Board meeting dates. The Board will reevaluate the remaining Board meeting dates for 2009 at the January or March Board meeting.

Petra Seconded.

## CARRIED (Unanimous)

#### <u>ITEM 7 – ARSENIC SUMMARY REPORT & EXTENSIONS REQUESTS</u>

Don Lore reported on the Arsenic Exemption applications that have been received and reviewed.

Patti Fauver mentioned staff has received 33 exemption applications that were discussed at the January Board meeting three years ago. The Board approved 32 exemption applications. Staff has made some progress since then. Staff is down to 7 exemption applications now.

Don Lore said staff is down to reviewing 8 drinking water systems now from the 32 drinking water systems received 3 years ago.

Discussion followed.

Ron Thompson moved the Board authorize staff to proceed with scheduling a public hearing in order to process the Arsenic Exemption applications for: Beaver Dam Water Company, Dugway – Ditto Tech Center, Kingston Town, Sherwood Water Company, Webb Well Water Users, and Elberta Water Company.

Page 14 of 147 9

## CARRIED (Unanimous)

#### ITEM 8 – PROPOSED SUBSTANTIVE CHANGES TO RULES R309-515 AND 540

Mike Georgeson reported on two substantive changes for Rules R309-515 and 540. Rule R309-515 is on Source Development. The substantive change is under Section R309-515-7 Ground Water – Springs. The substantive change is addressing the 10 mils think liner that is used over a spring collection zone.

Staff is proposing changing the 10 mils to 45 mils, which would require a 50 mil liner, because the liners only come in 10 mil thicknesses.

Discussion followed.

Ron Thompson moved the Board authorize staff to make the change in Rule R309-515 and go with the 40 mils thickness on the liners, but not less than 40 mils thickness, and approve the change in Rule R309-540 on Pump Stations. Staff will proceed with the rulemaking process, and file the proposed rule amendments for publication in the Utah Bulletin on December 15, 2008.

Discussion followed.

Myron Bateman seconded.

## CARRIED (Unanimous)

## <u>ITEM 9 – PROPOSED NON-SUBSTANTIVE CHANGES TO RULES R309-500, 505, 510, 520, 525, 530, 535, 545, AND 550</u>

Mike Georgeson reported the changes in these rules are non-substantive. The non-substantive changes normally go right through, and they don't require a public hearing. There are some language problem changes in the rules. The changes will bring the rules in to conformity, as well as updating some of the references. If the Board agrees with the changes, the motion should include that the Board finds these are non-substantive changes.

Discussion followed.

Paul Hansen moved the Board authorize staff to find that the changes in the proposed rules are non-substantive changes and file the rules effective immediately.

Paul Hansen suggested that staff look at the Table in Rule 510-3 on the Demand for Irrigation (outdoor use). The numbers shown are depletion limits not diversion minutes. They are not consistent with what the State Engineer lists as far demand versus depletion. Staff needs to clarify what the numbers are for. This would be a substantive change.

Ron Thompson seconded.

Page 15 of 147

## CARRIED (Unanimous)

Chairman Erickson directed staff to look at the depletion limits versus diversion minutes limits and report back to the Board.

#### ITEM 10 - OPERATOR CERTIFICATION COMMISSION MEMBERS RENEWAL

Ken Bousfield reported the Operator Certification Commission has two members; Jay Franson and Jim Callison, whose terms expire at the end of December 2008. They have both agreed to fill another term on the Operator Certification Commission.

Jay Franson addressed the Board.

Discussion followed.

Ron Thompson moved the Drinking Water Board reappoint Jay Franson and Jim Callison to another term on the Operator Certification Commission.

Petra Rust seconded.

CARRIED (Unanimous)

#### ITEM 11 – RURAL WATER ASSOCIATION OF UTAH'S REPORT

Curtis Ludvigsen addressed the Drinking Water Board.

Curtis was glad to see that Dixie Deer Special Service District (SSD) was on the agenda. Curtis met with Dixie Deer SSD about three months ago to discuss their drinking water system. Hopefully, their study will turn in to a project.

Curtis reviewed the work he does for the Division of Drinking Water and the Rural Water Association of Utah. He mentioned how his work meshes well together in helping out the drinking water systems in Utah.

Discussion followed.

Danny Fleming addressed the Board.

Chairman Erickson commended the Rural Water Association of Utah and the Division of Drinking Water for all of the work they do to help each other and the drinking water systems in the State of Utah.

#### ITEM 12 – CHAIRMAN'S REPORT

Chairman Erickson mentioned that Rick Sprott is retiring and moving out-of-state.

Page 16 of 147

Rick Sprott reported that he and his wife just finished a retirement home in the New Mexico mountains. His last day will be on December 5, 2008. Rick gave some background on his work and future endeavors.

The Board wished Rick well. The Drinking Water Board will present Rick with a plaque, at his retirement party, and thank him for his time and support that he has given the Drinking Water Board.

#### ITEM 13 – DIRECTORS REPORT

a) DEQ's FY-2010 Proposed Fee Schedule and Public Hearing

Ken Bousfield handed out a copy of a Public Notice on the 2010 Proposed Fee Schedule. Ken updated the Board on the 2010 Proposed Fee Schedule and the recent Public Hearing that was held.

b) New Engineers in the Construction Assistance Section

Ken Bousfield introduced two new engineering staff members, Jesse Johnson and Gary Kobzeff.

Gary Kobzeff addressed the Board and gave them some information on his background and work.

Jesse Johnson addressed the Board and gave them some background information on his background and work.

c) Budget Cuts within the Division

Ken Bousfield went over the budget cuts that the Division is going to have to take in order to meet their requests from the Governors office.

d) Organizational Charts Update

Ken Bousfield mentioned an organization chart is in the packet for the Board members.

Ken mentioned we have one vacancy in the Engineering Section that we are in the process of filling.

Ken mentioned Brett Shakespear, a staff member in the Rules Section, will be leaving the Division on Friday, November 14, 2008. Ken reviewed the critical work that Brett does for the Division.

Ken mentioned Stephen Poreda, a former employee, will fill Brett's position on a temporary basis until we are able to hire a full time employee. Stephen Poreda has performed SDWIS work for Maryland and of Kentucky.

Page 17 of 147

e) Canyon Meadow Mutual Water Company Report

Ken Wilde reported about two months ago Canyon Meadow Mutual Water Company's water line clogged up due to a calcium build up inside of their lines. Ken gave a detailed report on their water line problems.

Ken Bousfield updated the Board on the CAP (Compliance Action Planning) meetings, and gave some background on the meetings.

#### ITEM 14 – NEXT BOARD MEETING

Chairman Erickson reported the next Board meeting will be on January 14, 2009 at Noon. The meeting will be held at 168 North 1950 West, Room 101, Salt Lake City, Utah.

#### ITEM 15 – OTHER

No other business.

#### ITEM 16 – ADJOURN

Chairman Erickson stated a motion to adjourn the Drinking Water Board meeting was in order.

A motion was made to adjourn the Drinking Water Board meeting at 2:50 p.m.

The motion was seconded.

CARRIED (Unanimous)

<u>Linda Matulich</u> Recording Secretary

Page 18 of 147

# AGENDA ITEM 5 ARSENIC EXEMPTION PUBLIC HEARING

#### **Arsenic Exemptions – Public Hearing**

The Board scheduled a public hearing for January 14, 2009 to receive comments on the Arsenic exemption applications for the following public water systems: Beaver Dam Water Company, Dugway-Ditto, Elberta Water Company, Kingston Town, Sherwood Water Company, and Webb Well Water Users.

The Division published the attached public notice and request for comments in both the Salt Lake Tribune and Deseret News on November 29, 2008.

The packet item is structured as follows:

- 1. General Information
  - a. List of systems seeking an exemption with their highest arsenic result from more recent sample results
  - b. EPA Arsenic guidance document section regarding "unreasonable risk to health" determination
- 2. DDW Public Notification Documentation
- 3. Each System
  - a. Public Notification documentation
  - b. Written comments received

#### **Staff Recommendation:**

Staff recommends that the Board proceed with the public hearing on a system by system basis to receive written and verbal comments, evaluate the written and verbal comments and then to decide whether to grant the exemption application for that system.

Staff recommends that the following structure be used for the public hearing process

- 1. General comments on the determination of "unreasonable risk to health" by Patti Fauver, Compliance Manager, Division of Drinking Water.
- 2. System by system:
  - a. System comment on the need for more time.
  - b. Open comment by interested parties.
  - c. Board decision on exemption application.

Board meeting 1/14/2009

# **General Information**

Currence	Crow	Current Technology Exploring	Technology Applied	Pomilation	Highest
System	mnviske				Arsenic Level
Beaver Dam Water Company	02002	02002 central treatment	seeking funding	64	12
👸 Dugway - Ditto	23021	23021   Central Treatment	Filtration treatment funding 2012	495	8
Elberta Water Company	25010	25010 Treatment planned	Sunnse: Engeenering Study	141	13
Kingston Town	16004	16004 Blend with spring	New Operator will test at tank	152	13
Sherwood Water Company	14021	14021 Central treatment	Talking to vendor	160	23
Webb Well Water Users	18051	18051 Point of Use	Getting Plan approval	06	17

Page 22 of 147



United States **Environmental Protection** Agency

## **EPA** Exemptions & the **Arsenic Rule**

- 2. The time appropriately allocated for each of the activities identified in (1), and the total time allocated for all activities.
- 3. The cost of performing the activities identified in (1), and any savings that might be obtained from additional time.
- 4. The benefits that may be obtained from additional time, including any improvements in cost-effectiveness that may be obtained from non-BAT technologies or from ascertaining which technology may be most appropriate for the raw water supplies available to the system.

Other compelling factors affecting a system's ability to comply may be identified by the State on a case-by-case basis. EPA recognizes many systems may have difficulty in achieving compliance by January 23, 2006. There will be a wide variety of circumstances the States will have to consider, and there may be sufficient variation so that "compelling circumstances" cannot be strictly defined.

### 7. How can a PWS beginning operation after January 23, 2006 qualify for an exemption?

At a minimum, a PWS that begins operation after January 23, 2006 must show that it has "no reasonable alternative source of drinking water" in order to qualify for an exemption (40 CFR 142.20(b) and SDWA §1416(a)(2)). Such a system should show that it is not feasible to develop an alternative source of water which has a lower level of arsenic or to access a neighboring system's water source. A system that successfully demonstrates it has no reasonable alternative source of drinking water may be eligible for an exemption. To be eligible, new systems still must meet all other exemption eligibility criteria that apply, including:

- 1. The presence of a compelling factor which prohibits the system from complying by January 23, 2006.
- The absence of unreasonable risk to health.
- The lack of available management or restructuring changes that would result in compliance or, if compliance cannot be achieved, would improve water quality.

#### 8. What constitutes an "Unreasonable Risk to Health"?

An exemption from the revised arsenic MCL requires, among other things, that the exemption will not result in an unreasonable risk to health. An exemption to an MCL allows a PWS to continue to provide water at some level above the MCL for a specified period of time, after which the system must come into compliance.

In this guidance, EPA is suggesting an approach to determine what does <u>not</u> constitute an unreasonable risk to health with respect to arsenic. This approach bases the length of an exemption on the level of arsenic in the water. States may use an alternate method to the following approach.

EPA's approach is based on the fact that Congress included exemption provisions in the SDWA with the clear intention that they be used to address the needs of economically challenged systems by providing additional time to achieve compliance. Congress necessarily contemplated that the customers of these systems would be exposed to drinking water above the MCL for the period of the exemption. The

- (10 years)×(C<sub>10</sub>) = 200 ppb×years; (C<sub>10</sub>) = (200 ppb×years)/(10 years) = 20 ppb
  Thus, for a 2-year extension to the initial 3-year exemption (which provides a total compliance period of 10 years), a concentration of 20 ppb above the MCL of 10 ppb (a total concentration of 30 ppb) would not generally pose an unreasonable risk to health.
- (12 years)×(C<sub>12</sub>) = 200 ppb×years; (C<sub>12</sub>) = (200 ppb×years)/(12 years) = 17 ppb

  Thus, for two 2-year extensions to the initial 3-year exemption (which provides a total compliance period of 12 years), a concentration of 17 ppb above the MCL of 10 ppb (or a total concentration of 27 ppb) would not generally pose an unreasonable risk to health.
- (14 years)×(C<sub>14</sub>) = 200 ppb×years; (C<sub>14</sub>) = (200 ppb×years)/(14 years) = 14 ppb

  Thus, for three 2-year extensions to the initial 3-year exemption (which provides a total compliance period of 14 years), a concentration of 14 ppb above the MCL of 10 ppb (or a total concentration of 24 ppb) would not generally pose an unreasonable risk to health.

Based on these calculations, EPA believes the values in Table 1 offer a conservative and appropriate framework for determining the duration of an exemption that should not generally pose an unreasonable risk to health for systems with various historical arsenic concentrations. As a result, States may wish to consider exemptions for the indicated arsenic concentrations over the indicated time periods.

Table 1: Exemption Eligibility Based on "Unreasonable Risk to Health" Criteria

Systems Serving	Total Compliance Time after 01/22/2001	Exemption Periods Available	Would an exemption be granted for these arsenic concentrations?					
			> 35 ppb	> 30 ppb but ≤ 35 ppb	> 25 ppb but <u>&lt;</u> 30 ppb	>20 ppb but <25 ppb	≤ 20 ppb	
> 3,300 persons	8 years	3 years (2006-2009)	No	Yes	Yes	Yes	Yes	
≤ 3,300 persons	8 years	3 years (2006-2009)	No	Yes	Yes	Yes	Yes	
	10 years	5 years (2006-2011) <sup>a</sup>	No	No	Yes	Yes	Yes	
	12 years	7 years (2006-2013) <sup>b</sup>	No	No	No	Yes	Yes	
	14 years	9 years (2006-2015)°	No	No	No	No	Yes	

<sup>a</sup>Includes the initial 3-year exemption available to all systems and the first of three 2-year small system extensions.

<sup>b</sup>Includes the initial 3-year exemption available to all systems and two of three 2-year small system extensions.

<sup>c</sup>Includes the initial 3-year exemption available to all systems and all three 2-year small system extensions.

Note that, in determining the arsenic concentrations allowable in small systems that receive the second and third extensions available to them, EPA suggests that States round down the allowable concentrations relative to the values shown in the calculations discussed above. This rounding down provides an additional margin of safety, given the relatively long durations of elevated exposures that would be experienced by the individuals served by these systems.

This analysis is predicated on the assumption that a system will seek an exemption based on the historical concentration of arsenic in its source water. In other words, under this approach exemptions would not be available for systems that historically have had arsenic concentrations above 35 ppb, even if those

# DDW Public Notification Documentation

#### Jennifer Yee - RE: Legal Notice for next Newspaper

From: "NAC Legal" <naclegal@mediaoneutah.com>

To: "Jennifer Yee'" < jyee@utah.gov>

**Date:** 11/25/2008 1:34 PM

Subject: RE: Legal Notice for next Newspaper

Ad #395157 is scheduled to run Nov. 29 and the total charge is \$250.28.

Thank you,

Lynn Valdez

Legal Advertising

MediaOne of Utah

4770 South 5600 West

West Valley City, Utah 84118

Ph. 801-237-2720

From: Jennifer Yee [mailto:jyee@utah.gov]
Sent: Tuesday, November 25, 2008 10:20 AM

To: naclegal@mediaoneutah.com

Subject: Legal Notice for next Newspaper

(I've sent this same notice to two other e-mail addresses, if you get it at either one of those, please just put one

time in the newspapers, thanks.	&		)	
Please publish the attached legal notice in	n the next available e	dition of the SL Tri	bune & Deseret	News.
Bill the cost of the publication to:				
Division of Drinking Water, DEQ, State of	Utah			
PO Box 144830				•
Salt Lake City, UT 84114-4830				
Attn: Jennifer Yee				
or Fax to:				
536-4211				
Attn: Jennifer Yee				
If you have any questions please feel free	to call me at 536-42	16.		
Thank you,				
			•	
Jennifer Yee				
Compliance Secretary				
(801) 536-4216				

#### **PUBLIC NOTICE**

On Wednesday, November 12, 2008 the Utah Drinking Water board voted in favor of its intent to grant extensions to existing exemptions to delay treating for the contaminant of Arsenic for an additional time period not to exceed two years (running from February 1, 2009 to January 31, 2011) to: Beaver Dam Water Company, Dugway-Ditto, Elberta Water Company, Kingston Town, Sherwood Water Company, Webb Well Water Users.

The Environmental Protection Agency has revised its national Drinking Water standard for Arsenic, lowering the acceptable level from 50 parts per billion down to 10 parts per billion. Water Systems are expected to be in compliance with the new standard by January 26, 2006. The Drinking Water Board has determined seven viable options to enable water systems to come into compliance with this revised standard. They are as follows: 1) Abandon the source which is high in Arsenic, 2) Sample averaging, 3) Blending water with other sources, 4) A combination of blend and averaging, 5) Install point of use devices, 6) Develop alternate sources, and 7) Provide central treatment.

The Drinking Water Board is an eleven-member body appointed by Governor Huntsman and charged by statute to implement and enforce Drinking Water Standards.

For various compelling reasons the Drinking Water Board has indicated its intent to issue an exemption extension for your water system. An exemption is a term defined by rule, which enables a water utility extra time to come in compliance with the revised standard. It is <u>not</u> a mechanism to totally avoid complying with the new standard. For systems serving less than 3.300 population, 3 extension terms are available for an additional 2 years each.

Along with allowing two years of additional time to come into compliance with the new standard, the Board has determined that water users are not subjected to an unreasonable risk to public health.

Before making a final decision the Board wishes to receive comments regarding its intent to issue these exemption extensions. Comments may be received in written form if received by December 29, 2008 and sent to the Board's Executive Secretary, the address is listed below. Because the Board is considering exemptions for many systems, please be sure to identify the water system you're commenting about.

Kenneth H. Bousfield, P.E.
Executive Secretary
Utah Drinking Water Board
P.O. Box 144830
Salt Lake City, Utah 84114-4830
Fax: (801) 536-4211
E-Mail: drinkingwater@utah.gov

Or oral comments may be received at the Board meeting scheduled for 12:00 p.m. on January 14, 2009 at the Department of Environmental Quality Offices located at 168 North 1950 West in Room 101.

The Utah Drinking Water Board, following consideration of all comments, will make a final decision on the matter at their Board meeting January 14, 2009.

# Beaver Dam Water Company



State of Utah

JON M. HUNTSMAN, JR. Governor

GARY HERBERT
Lieutenant Governor

## Department of Environmental Quality

Richard W. Sprott Executive Director

DIVISION OF DRINKING WATER Kenneth H. Bousfield, P.E. Director Drinking Water Board
Anne Erickson, Ed.D., Chair
Myron Bateman, Vice-Chair
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
Richard W. Sprott
David K. Stevens, Ph.D.
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

November 24, 2008

Beaver Dam Water Company 16520 Beaver Dam Road Collinston, Utah 84306

Dear Mr. Hansen:

Subject: Arsenic Exemption for Beaver Dam Water Company, #UTAH02002

At the November 12, 2008 Drinking Water Board Meeting held in Salt Lake City the Board voted favorably to consider your water system's petition for an Arsenic exemption extension for a time period not to exceed two years. The issuance of the exemption extension cannot occur until an opportunity is given for concerned citizens to express their views as to the acceptability of the exemption.

The Division has provided a template for your use. You will need to fill in your system specific information within each of the brackets ([]), in order to provide your consumers with the information to make an informed choice to comment or not. If you chose not to use the template, you public notice form will need to be reviewed by the Division prior to distribution. As the time line is very short, we encourage you to use the attached template, please call Don Lore for a electronic copy of the form for your modification.

To facilitate the collection of comments we request that you distribute, by direct mail, the enclosed notice to your customers. Please forward our office a copy of the public notice along with a brief description of your delivery method.

If you have any questions, please feel free to call Don Lore, at (801) 536-4204.

Sincerely,

DRINKING WATER BOARD

Kenneth H. Bousfield, P.E.

**Executive Secretary** 

Enclosure

Cc:

Bear River Health Department Kathelene Brainich, E.P.A.

#### **PUBLIC NOTICE**

On Wednesday, November 12, 2008 Utah Drinking Water Board has considered an application made by [enter system name] to issue an extension to the existing exemption to delay treating for the contaminant of Arsenic for a time period not to exceed two years (running from February 1, 2009 to January 31, 2011).

The Environmental Protection Agency has revised its national Drinking Water standard for Arsenic, lowering the acceptable level from 50 parts per billion down to 10 parts per billion. Water Systems are expected to be in compliance with the new standard by January 26, 2006. The Drinking Water Board has determined seven viable options to enable water systems to come into compliance with this revised standard. They are as follows: 1) Abandon the source which is high in Arsenic, 2) Sample averaging, 3) Blending water with other sources, 4) A combination of blend and averaging, 5) Install point of use devices, 6) Develop alternate sources, and 7) Provide central treatment.

The Drinking Water Board is an eleven-member body appointed by Governor Huntsman and charged by statute to implement and enforce Drinking Water Standards.

For [enter your system reasons for seeking an extension] the Drinking Water Board has indicated its intent to issue an exemption extension for your water system. An exemption is a term defined by rule, which enables a water utility extra time to come in compliance with the revised standard. It is not a mechanism to totally avoid complying with the new standard. For systems serving less than 3.300 population, 3 extension terms are available for an additional 2 years each.

Along with allowing two years of additional time to come into compliance with the new standard, the Board has determined that water users are not subjected to an unreasonable risk to public health.

Before making a final decision the Board wishes to receive comments regarding its intent to issue these exemption extensions. Comments may be received in written form if received by [enter date 30 days from notice delivery] and sent to the Board's Executive Secretary, the address is listed below. Because the Board is considering exemptions for many systems, please be sure to identify the water system you're commenting about.

Kenneth H. Bousfield, P.E.
Executive Secretary
Utah Drinking Water Board
P.O. Box 144830
Salt Lake City, Utah 84114-4830
Fax: (801) 536-4211
E-Mail: drinkingwater@utah.gov

Or oral comments may be received at the Board meeting scheduled for 12:00 p.m. on January 14, 2009

or oral comments may be received at the Board meeting scheduled for 12.00 p.m. on January 14, 2009 at the Department of Environmental Quality Offices located at 168 North 1950 West in Room 101.

The Utah Drinking Water Board, following consideration of all comments, will make a final decision on the matter at their Board meeting January 14, 2009.

# <u>Dugway - Ditto</u>



State of Utah

JON M. HUNTSMAN, JR. Governor

GARY HERBERT Lieutenant Governor

## Department of Environmental Quality

Richard W. Sprott Executive Director

DIVISION OF DRINKING WATER Kenneth H. Bousfield, P.E. Director Drinking Water Board
Anne Erickson, Ed.D., Chair
Myron Bateman, Vice-Chair
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
Richard W. Sprott
David K. Stevens, Ph.D.
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

November 24, 2008

Dugway - Ditto Environmental Programs Office, CSTE-DTC-DP-EP Dugway, Utah 84022

Dear Mr. Gardner:

Subject: Arsenic Exemption for Dugway - Ditto, #UTAH23021

At the November 12, 2008 Drinking Water Board Meeting held in Salt Lake City the Board voted favorably to consider your water system's petition for an Arsenic exemption extension for a time period not to exceed two years. The issuance of the exemption extension cannot occur until an opportunity is given for concerned citizens to express their views as to the acceptability of the exemption.

The Division has provided a template for your use. You will need to fill in your system specific information within each of the brackets ([]), in order to provide your consumers with the information to make an informed choice to comment or not. If you chose not to use the template, you public notice form will need to be reviewed by the Division prior to distribution. As the time line is very short, we encourage you to use the attached template, please call Don Lore for a electronic copy of the form for your modification.

To facilitate the collection of comments we request that you distribute, by direct mail, the enclosed notice to your customers. Please forward our office a copy of the public notice along with a brief description of your delivery method.

If you have any questions, please feel free to call Don Lore, at (801) 536-4204.

Sincerely,

DRINKING WATER BOARD

Kenneth H. Bousfield, P.E. Executive Secretary

Enclosure

Cc: Tooele County Health Department

Kathelene Brainich, E.P.A.

#### PUBLIC NOTICE

On Wednesday, November 12, 2008 Utah Drinking Water Board has considered an application made by [enter system name] to issue an extension to the existing exemption to delay treating for the contaminant of Arsenic for a time period not to exceed two years (running from February 1, 2009 to January 31, 2011).

The Environmental Protection Agency has revised its national Drinking Water standard for Arsenic, lowering the acceptable level from 50 parts per billion down to 10 parts per billion. Water Systems are expected to be in compliance with the new standard by January 26, 2006. The Drinking Water Board has determined seven viable options to enable water systems to come into compliance with this revised standard. They are as follows: 1) Abandon the source which is high in Arsenic, 2) Sample averaging, 3) Blending water with other sources, 4) A combination of blend and averaging, 5) Install point of use devices, 6) Develop alternate sources, and 7) Provide central treatment.

The Drinking Water Board is an eleven-member body appointed by Governor Huntsman and charged by statute to implement and enforce Drinking Water Standards.

For [enter your system reasons for seeking an extension] the Drinking Water Board has indicated its intent to issue an exemption extension for your water system. An exemption is a term defined by rule, which enables a water utility extra time to come in compliance with the revised standard. It is <u>not</u> a mechanism to totally avoid complying with the new standard. For systems serving less than 3.300 population, 3 extension terms are available for an additional 2 years each.

Along with allowing two years of additional time to come into compliance with the new standard, the Board has determined that water users are not subjected to an unreasonable risk to public health.

Before making a final decision the Board wishes to receive comments regarding its intent to issue these exemption extensions. Comments may be received in written form if received by [enter date 30 days from notice delivery] and sent to the Board's Executive Secretary, the address is listed below. Because the Board is considering exemptions for many systems, please be sure to identify the water system you're commenting about.

Kenneth H. Bousfield, P.E.
Executive Secretary
Utah Drinking Water Board
P.O. Box 144830
Salt Lake City, Utah 84114-4830
Fax: (801) 536-4211

E-Mail: drinkingwater@utah.gov

Or oral comments may be received at the Board meeting scheduled for 12:00 p.m. on January 14, 2009 at the Department of Environmental Quality Offices located at 168 North 1950 West in Room 101.

The Utah Drinking Water Board, following consideration of all comments, will make a final decision on the matter at their Board meeting January 14, 2009.

#### PUBLIC NOTICE

On Wednesday, November 12, 2008 Utah Drinking Water Board has considered an application made by Dugway – Ditto Water System, #UTAH23021, to issue an extension to the existing exemption to delay treating for the contaminant of Arsenic for a time period not to exceed two years (running from February 1, 2009 to January 31, 2011).

The Environmental Protection Agency has revised its national Drinking Water standard for Arsenic, lowering the acceptable level from 50 parts per billion down to 10 parts per billion. Water Systems are expected to be in compliance with the new standard by January 26, 2006. The Drinking Water Board has determined seven viable options to enable water systems to come into compliance with this revised standard. They are as follows: 1) Abandon the source which is high in Arsenic, 2) Sample averaging, 3) Blending water with other sources, 4) A combination of blend and averaging, 5) Install point of use devices, 6) Develop alternate sources, and 7) Provide central treatment.

The Drinking Water Board is an eleven-member body appointed by Governor Huntsman and charged by statute to implement and enforce Drinking Water Standards.

For budget programmatic issues the Drinking Water Board has indicated its intent to issue an exemption extension for your water system. An exemption is a term defined by rule, which enables a water utility extra time to come in compliance with the revised standard. It is not a mechanism to avoid complying with the new standard. For systems serving less than 3,300 population, 3 extension terms are available for an additional 2 years each.

Along with allowing two years of additional time to come into compliance with the new standard, the Board has determined that water users are not subjected to an unreasonable risk to public health.

Before making a final decision the Board wishes to receive comments regarding its intent to issue these exemption extensions. Comments may be received in written form if received by 30 December 2008 and sent to the Board's Executive Secretary, the address is listed below. Because the Board is considering exemptions for many systems, please be sure to identify the water system you're commenting about.

Kenneth H. Bousfield, P.E.
Executive Secretary
Utah Drinking Water Board
P.O. Box 144830
Salt Lake City, Utah 84114-4830
Fax: (801) 536-4211
E-Mail: drinkingwater@utah.gov

Or oral comments may be received at the Board meeting scheduled for 12:00 p.m. on January 14, 2009 at the Department of Environmental Quality Offices located at 168 North 1950 West in Room 101.

The Utah Drinking Water Board, following consideration of all comments, will make a final decision on the matter at their Board meeting January 14, 2009.

## Elberta Water Company



State of Utah

JON M. HUNTSMAN, JR.

Governor

GARY HERBERT Lieutenant Governor

## Department of Environmental Quality

Richard W. Sprott Executive Director

DIVISION OF DRINKING WATER Kenneth H. Bousfield, P.E. Director Drinking Water Board
Anne Erickson, Ed.D., Chair
Myron Bateman, Vice-Chair
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
Richard W. Sprott
David K. Stevens, Ph.D.
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

November 24, 2008

Elberta Water Company PO Box 121 Elberta, Utah 84626

Dear Mr. Ford:

Subject: Arsenic Exemption for Elberta Water Company, #UTAH25010

At the November 12, 2008 Drinking Water Board Meeting held in Salt Lake City the Board voted favorably to consider your water system's petition for an Arsenic exemption extension for a time period not to exceed two years. The issuance of the exemption extension cannot occur until an opportunity is given for concerned eitizens to express their views as to the acceptability of the exemption.

The Division has provided a template for your use. You will need to fill in your system specific information within each of the brackets ([]), in order to provide your consumers with the information to make an informed choice to comment or not. If you chose not to use the template, you public notice form will need to be reviewed by the Division prior to distribution. As the time line is very short, we encourage you to use the attached template, please call Don Lore for a electronic copy of the form for your modification.

To facilitate the collection of comments we request that you distribute, by direct mail, the enclosed notice to your customers. Please forward our office a copy of the public notice along with a brief description of your delivery method.

If you have any questions, please feel free to call Don Lore, at (801) 536-4204.

Sincerely,

DRINKING WATER BOARD

Kenneth H. Bousfield, P.E.

**Executive Secretary** 

Enclosure

Cc: Utah County Health Department

Kathelene Brainich, E.P.A.

#### PUBLIC NOTICE

On Wednesday, November 12, 2008 Utah Drinking Water Board has considered an application made by *[enter system name]* to issue an extension to the existing exemption to delay treating for the contaminant of Arsenic for a time period not to exceed two years (running from February 1, 2009 to January 31, 2011).

The Environmental Protection Agency has revised its national Drinking Water standard for Arsenic, lowering the acceptable level from 50 parts per billion down to 10 parts per billion. Water Systems are expected to be in compliance with the new standard by January 26, 2006. The Drinking Water Board has determined seven viable options to enable water systems to come into compliance with this revised standard. They are as follows: 1) Abandon the source which is high in Arsenic, 2) Sample averaging, 3) Blending water with other sources, 4) A combination of blend and averaging, 5) Install point of use devices, 6) Develop alternate sources, and 7) Provide central treatment.

The Drinking Water Board is an eleven-member body appointed by Governor Huntsman and charged by statute to implement and enforce Drinking Water Standards.

For [enter your system reasons for seeking an extension] the Drinking Water Board has indicated its intent to issue an exemption extension for your water system. An exemption is a term defined by rule, which enables a water utility extra time to come in compliance with the revised standard. It is <u>not</u> a mechanism to totally avoid complying with the new standard. For systems serving less than 3.300 population, 3 extension terms are available for an additional 2 years each.

Along with allowing two years of additional time to come into compliance with the new standard, the Board has determined that water users are not subjected to an unreasonable risk to public health.

Before making a final decision the Board wishes to receive comments regarding its intent to issue these exemption extensions. Comments may be received in written form if received by [enter date 30 days from notice delivery] and sent to the Board's Executive Secretary, the address is listed below. Because the Board is considering exemptions for many systems, please be sure to identify the water system you're commenting about.

Kenneth H. Bousfield, P.E.
Executive Secretary
Utah Drinking Water Board
P.O. Box 144830
Salt Lake City, Utah 84114-4830
Fax: (801) 536-4211

E-Mail: drinkingwater@utah.gov

Or oral comments may be received at the Board meeting scheduled for 12:00 p.m. on January 14, 2009 at the Department of Environmental Quality Offices located at 168 North 1950 West in Room 101.

The Utah Drinking Water Board, following consideration of all comments, will make a final decision on the matter at their Board meeting January 14, 2009.

# **Kingston Town**



State of Utah

JON M. HUNTSMAN, JR. Governor

GARY HERBERT Lieutenant Governor

## Department of Environmental Quality

Richard W. Sprott Executive Director

DIVISION OF DRINKING WATER Kenneth H. Bousfield, P.E. Director Drinking Water Board
Anne Erickson, Ed.D., Chair
Myron Bateman, Vice-Chair
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
Richard W. Sprott
David K. Stevens, Ph.D.
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

November 24, 2008

Kingston Town 111 S 100 W Kingston, Utah 84743

Dear Mr. Jessen:

Subject: Arsenic Exemption for Kingston Town, #UTAH16004

At the November 12, 2008 Drinking Water Board Meeting held in Salt Lake City the Board voted favorably to consider your water system's petition for an Arsenic exemption extension for a time period not to exceed two years. The issuance of the exemption extension cannot occur until an opportunity is given for concerned citizens to express their views as to the acceptability of the exemption.

The Division has provided a template for your use. You will need to fill in your system specific information within each of the brackets ([]), in order to provide your consumers with the information to make an informed choice to comment or not. If you chose not to use the template, you public notice form will need to be reviewed by the Division prior to distribution. As the time line is very short, we encourage you to use the attached template, please call Don Lore for a electronic copy of the form for your modification.

To facilitate the collection of comments we request that you distribute, by direct mail, the enclosed notice to your customers. Please forward our office a copy of the public notice along with a brief description of your delivery method.

If you have any questions, please feel free to call Don Lore, at (801) 536-4204.

Sincerely,

DRINKING WATER BOARD

Kenteth H. Bousfield, P.E. Executive Secretary

Enclosure

Cc:

Central Utah Public Health Department

Kathelene Brainich, E.P.A.

#### PUBLIC NOTICE

On Wednesday, November 12, 2008 Utah Drinking Water Board has considered an application made by [enter system name] to issue an extension to the existing exemption to delay treating for the contaminant of Arsenic for a time period not to exceed two years (running from February 1, 2009 to January 31, 2011).

The Environmental Protection Agency has revised its national Drinking Water standard for Arsenic, lowering the acceptable level from 50 parts per billion down to 10 parts per billion. Water Systems are expected to be in compliance with the new standard by January 26, 2006. The Drinking Water Board has determined seven viable options to enable water systems to come into compliance with this revised standard. They are as follows: 1) Abandon the source which is high in Arsenic, 2) Sample averaging, 3) Blending water with other sources, 4) A combination of blend and averaging, 5) Install point of use devices, 6) Develop alternate sources, and 7) Provide central treatment.

The Drinking Water Board is an eleven-member body appointed by Governor Huntsman and charged by statute to implement and enforce Drinking Water Standards.

For [enter your system reasons for seeking an extension] the Drinking Water Board has indicated its intent to issue an exemption extension for your water system. An exemption is a term defined by rule, which enables a water utility extra time to come in compliance with the revised standard. It is <u>not</u> a mechanism to totally avoid complying with the new standard. For systems serving less than 3.300 population, 3 extension terms are available for an additional 2 years each.

Along with allowing two years of additional time to come into compliance with the new standard, the Board has determined that water users are not subjected to an unreasonable risk to public health.

Before making a final decision the Board wishes to receive comments regarding its intent to issue these exemption extensions. Comments may be received in written form if received by [enter date 30 days from notice delivery] and sent to the Board's Executive Secretary, the address is listed below. Because the Board is considering exemptions for many systems, please be sure to identify the water system you're commenting about.

Kenneth H. Bousfield, P.E.
Executive Secretary
Utah Drinking Water Board
P.O. Box 144830
Salt Lake City, Utah 84114-4830
Fax: (801) 536-4211
E-Mail: drinkingwater@utah.gov

Or oral comments may be received at the Board meeting scheduled for 12:00 p.m. on January 14, 2009 at the Department of Environmental Quality Offices located at 168 North 1950 West in Room 101.

The Utah Drinking Water Board, following consideration of all comments, will make a final decision on the matter at their Board meeting January 14, 2009.

# **Sherwood Water Company**



State of Utah

JON M. HUNTSMAN, JR. Governor

> GARY HERBERT Lieutenant Governor

## Department of Environmental Quality

Richard W. Sprott Executive Director

DIVISION OF DRINKING WATER Kenneth H. Bousfield, P.E. Director Drinking Water Board
Anne Erickson, Ed.D., Chair
Myron Bateman, Vice-Chair
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
Richard W. Sprott
David K. Stevens, Ph.D.
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

November 24, 2008

Sherwood Water Company 92 West 200 North Delta, Utah 84624

Dear Mr. Forster:

Subject: Arsenic Exemption for Sherwood Water Company, #UTAH14021

At the November 12, 2008 Drinking Water Board Meeting held in Salt Lake City the Board voted favorably to consider your water system's petition for an Arsenic exemption extension for a time period not to exceed two years. The issuance of the exemption extension cannot occur until an opportunity is given for concerned citizens to express their views as to the acceptability of the exemption.

The Division has provided a template for your use. You will need to fill in your system specific information within each of the brackets ([]), in order to provide your consumers with the information to make an informed choice to comment or not. If you chose not to use the template, you public notice form will need to be reviewed by the Division prior to distribution. As the time line is very short, we encourage you to use the attached template, please call Don Lore for a electronic copy of the form for your modification.

To facilitate the collection of comments we request that you distribute, by direct mail, the enclosed notice to your customers. Please forward our office a copy of the public notice along with a brief description of your delivery method.

If you have any questions, please feel free to call Don Lore, at (801) 536-4204.

Sincerely,

DRINKING WATER BOARD

Kenneth H. Bousfield, P.E.

**Executive Secretary** 

Enclosure

Cc: Central Utah Public Health Department

Kathelene Brainich, E.P.A.

#### **PUBLIC NOTICE**

On Wednesday, November 12, 2008 Utah Drinking Water Board has considered an application made by [enter system name] to issue an extension to the existing exemption to delay treating for the contaminant of Arsenic for a time period not to exceed two years (running from February 1, 2009 to January 31, 2011).

The Environmental Protection Agency has revised its national Drinking Water standard for Arsenic, lowering the acceptable level from 50 parts per billion down to 10 parts per billion. Water Systems are expected to be in compliance with the new standard by January 26, 2006. The Drinking Water Board has determined seven viable options to enable water systems to come into compliance with this revised standard. They are as follows: 1) Abandon the source which is high in Arsenic, 2) Sample averaging, 3) Blending water with other sources, 4) A combination of blend and averaging, 5) Install point of use devices, 6) Develop alternate sources, and 7) Provide central treatment.

The Drinking Water Board is an eleven-member body appointed by Governor Huntsman and charged by statute to implement and enforce Drinking Water Standards.

For [enter your system reasons for seeking an extension] the Drinking Water Board has indicated its intent to issue an exemption extension for your water system. An exemption is a term defined by rule, which enables a water utility extra time to come in compliance with the revised standard. It is not a mechanism to totally avoid complying with the new standard. For systems serving less than 3.300 population, 3 extension terms are available for an additional 2 years each.

Along with allowing two years of additional time to come into compliance with the new standard, the Board has determined that water users are not subjected to an unreasonable risk to public health.

Before making a final decision the Board wishes to receive comments regarding its intent to issue these exemption extensions. Comments may be received in written form if received by [enter date 30 days from notice delivery] and sent to the Board's Executive Secretary, the address is listed below. Because the Board is considering exemptions for many systems, please be sure to identify the water system you're commenting about.

Kenneth H. Bousfield, P.E.
Executive Secretary
Utah Drinking Water Board
P.O. Box 144830
Salt Lake City, Utah 84114-4830
Fax: (801) 536-4211
E-Mail: drinkingwater@utah.gov

Or oral comments may be received at the Board meeting scheduled for 12:00 p.m. on January 14, 2009 at the Department of Environmental Quality Offices located at 168 North 1950 West in Room 101.

The Utah Drinking Water Board, following consideration of all comments, will make a final decision on the matter at their Board meeting January 14, 2009.

# Webb Well Water Users



State of Utah

JON M. HUNTSMAN, JR. Governor

> GARY HERBERT Lieutenant Governor

## Department of Environmental Quality

Richard W. Sprott Executive Director

DIVISION OF DRINKING WATER Kenneth H. Bousfield, P.E. Director Drinking Water Board
Anne Erickson, Ed.D., Chair
Myron Bateman, Vice-Chair
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
Richard W. Sprott
David K. Stevens, Ph.D.
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

November 24, 2008

Webb Well Water Users 15075 South Pine Hollow Lane Bluffdale, Utah 84065

Dear Mr. Masson:

Subject: Arsenic Exemption for Webb Well Water Users, #UTAH18051

At the November 12, 2008 Drinking Water Board Meeting held in Salt Lake City the Board voted favorably to consider your water system's petition for an Arsenic exemption extension for a time period not to exceed two years. The issuance of the exemption extension cannot occur until an opportunity is given for concerned citizens to express their views as to the acceptability of the exemption.

The Division has provided a template for your use. You will need to fill in your system specific information within each of the brackets ([]), in order to provide your consumers with the information to make an informed choice to comment or not. If you chose not to use the template, you public notice form will need to be reviewed by the Division prior to distribution. As the time line is very short, we encourage you to use the attached template, please call Don Lore for a electronic copy of the form for your modification.

To facilitate the collection of comments we request that you distribute, by direct mail, the enclosed notice to your customers. Please forward our office a copy of the public notice along with a brief description of your delivery method.

If you have any questions, please feel free to call Don Lore, at (801) 536-4204.

Sincerely,

DRINKING WATER BOARD

Executive Secretary

Enclosure

Cc: Salt Lake Valley Health Department

Kathelene Brainich, E.P.A.

#### **PUBLIC NOTICE**

On Wednesday, November 12, 2008 Utah Drinking Water Board has considered an application made by [enter system name] to issue an extension to the existing exemption to delay treating for the contaminant of Arsenic for a time period not to exceed two years (running from February 1, 2009 to January 31, 2011).

The Environmental Protection Agency has revised its national Drinking Water standard for Arsenic, lowering the acceptable level from 50 parts per billion down to 10 parts per billion. Water Systems are expected to be in compliance with the new standard by January 26, 2006. The Drinking Water Board has determined seven viable options to enable water systems to come into compliance with this revised standard. They are as follows: 1) Abandon the source which is high in Arsenic, 2) Sample averaging, 3) Blending water with other sources, 4) A combination of blend and averaging, 5) Install point of use devices, 6) Develop alternate sources, and 7) Provide central treatment.

The Drinking Water Board is an eleven-member body appointed by Governor Huntsman and charged by statute to implement and enforce Drinking Water Standards.

For [enter your system reasons for seeking an extension] the Drinking Water Board has indicated its intent to issue an exemption extension for your water system. An exemption is a term defined by rule, which enables a water utility extra time to come in compliance with the revised standard. It is not a mechanism to totally avoid complying with the new standard. For systems serving less than 3.300 population, 3 extension terms are available for an additional 2 years each.

Along with allowing two years of additional time to come into compliance with the new standard, the Board has determined that water users are not subjected to an unreasonable risk to public health.

Before making a final decision the Board wishes to receive comments regarding its intent to issue these exemption extensions. Comments may be received in written form if received by [enter date 30 days from notice delivery] and sent to the Board's Executive Secretary, the address is listed below. Because the Board is considering exemptions for many systems, please be sure to identify the water system you're commenting about.

Kenneth H. Bousfield, P.E.
Executive Secretary
Utah Drinking Water Board
P.O. Box 144830
Salt Lake City, Utah 84114-4830
Fax: (801) 536-4211
E-Mail: drinkingwater@utah.gov

Or oral comments may be received at the Board meeting scheduled for 12:00 p.m. on January 14, 2009 at the Department of Environmental Quality Offices located at 168 North 1950 West in Room 101.

The Utah Drinking Water Board, following consideration of all comments, will make a final decision on the matter at their Board meeting January 14, 2009.

#### AGENDA ITEM 6

# SRF/CONSERVATION COMMITTEE REPORT

6. 1) STATUS REPORT – Ken Wilde

## DIVISION OF DRINKING WATER STATE LOAN FUNDS

AS OF NOV 30, 2008

	SUMMARY		
	Total State Fund: Total State Hardship Fund:	\$8,404,923 \$2,688,165	
	Subtotal:	\$11,093,088	
4010140.4	Less:		
LESS	Authorized Loans:	\$8,338,900	(see Page 2 for
<b>AUTHORIZED</b>	Authorized Hardship:	\$1,986,746	details)
	Subtotal:	\$10,325,646	The series
	Total available after Authorized deducted	\$767,442	
PROPOSED	Proposed Loan Project(s): Proposed Hardship Project(s): Subtotal:	\$0 \$10,000 \$10,000	(see Page 2 for details)
AS OF:			
November 30, 2008	TOTAL REMAINING STATE LOAN FUNDS: TOTAL REMAINING STATE HARDSHIP FUNDS:	\$66,023 \$691,419	

Total Balance of ALL Funds:

\$757,442

and Sales Tax Revenue		
Annual Maximum Sales Tax Projection	\$3,587,500	
Less State Match for 2009 Federal Grant	(\$1,629,200)	
Less Administration Fees	(\$138,700)	
SUBTOTAL Sales Tax Revenue including a	djustments:	\$1,819,600
Payment:		
Interest on Investments (Both Loan and Hardsh	nip Accounts)	\$348,000
Principal payments	\$2,630,410	
Interest on payments		\$728,595
Total Projections:		\$5,526,605

Receive 80% in January

Total Estimated State SRF Funds Available through 11-30-2009: \$6,284,047

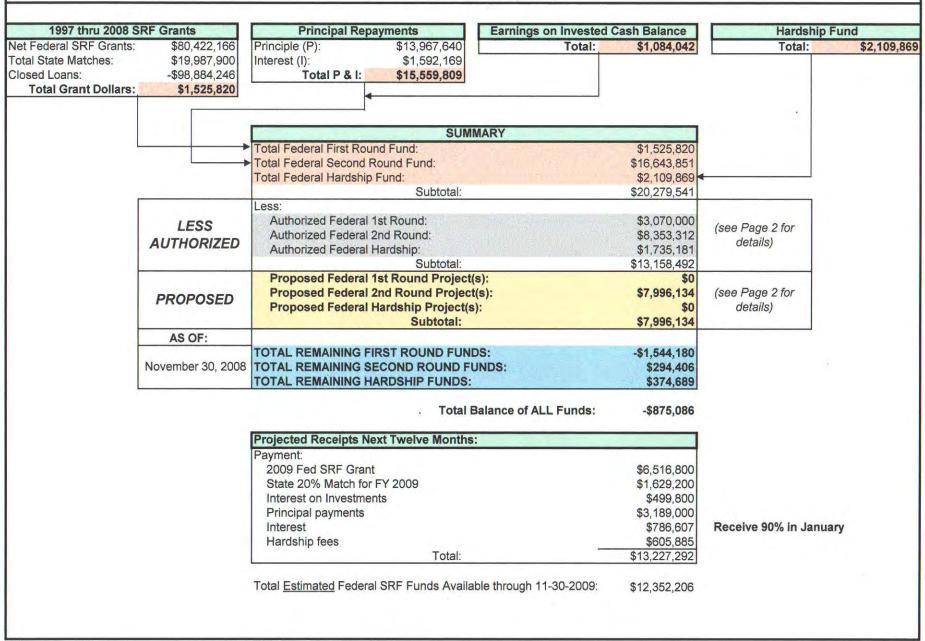
# DIVISION OF DRINKING WATER STATE LOAN FUNDS PROJECTS AUTHORIZED BUT NOT YET FUNDED AS OF NOV 30, 2008

		Cost	Date	Date		thorized Fundir	
Community	Loan #	Estimate	Authorized	Closed/Anticipated	Loan	Grant	Total
Bear River 2.19% 20 yr	3S096	2,880,000	Sep-07	Dec-08	1,818,000	600.000	2,418,00
Escalante 2.46% 30 yr	3S104	2,160,896	Mar-07	Dec-08	1,560,000	600,896	2,160,89
Hinckley Town 2.54% 20 yr	00104	85,000	Nov-08	Jan-09	85,000	000,090	85,00
KCWCD-Long Valley Estates	3S119	4,580,950	Jul-08	Jan-09	1,025,000		1,025,00
Neola 3.56% 5 yr	3S125	85,000	Nov-08	Jan-09	85,000		85,00
Springdale w/hs grant \$769,000	3S118	2,769,000	Jul-08	Jan-09	2,000,000		2,000,00
West Erda 0% 20 yr	3S074	760.000	Jun-04	?	380,000	380,000	760,00
Howell Town 3.13% 20 yr	3S116	95,000	May-08	?	95,000	360,000	95,00
Wales 0% 30 yr	3S120	460,000	Sep-08	?	210,000	250,000	460,00
Subtotal Loans and Grants Authorized					7,258,000	1,830,896	9,088,89
PLANNING LOANS/GRANTS					- :		
Enterprise (planning loan 0% 5 yr)	3S092	7,000	May-06	Jan-07	7,000		7,00
Wellington (pl loan 2% 5 yr)	3S104	40,000	Mar-07	Sep-07	40,000		40,00
Wales Town (pl 0% 5yr)	3S112	40,000	Jan-08	Mar-08	40,000		40,00
Paragonah planning grant	3S110	16,250	Sep-07	Mar-08		16,250	16,25
Manila emergency grant	3S122	10,000	Sep-08			100,000	100,00
Loa (planning loan 0% 5 yr)	3S121P	37,000	Sep-08		37,000	100,000	37,00
Dixie Deer SSD (pl loan 0% 5 yr)	3S123P	10,900	Nov-08		10,900		10,90
LaVerkin planning grant	3S124	21,600	Nov-08			21,600	21,60
Apple Valley planning grant	3S127	18,000	Nov-08			18,000	18,00
Garden City 2.31% 20 yr (Bal to disburs	3S048	2,733,000	Sep-02	Sep-08	\$946,000		\$946,00
Subtotal Planning Loans/Grants Auth					1,080,900	155,850	1,236,75
Total authorized but not yet funded					\$8,338,900	\$1,986,746	\$10,325,64
PROPOSED PROJECTS							
Tridell-Lapoint planning grant						10,000	
Total Proposed Projects					0	10,000	
				Closed date	VIII TO THE TOTAL THE TOTAL TO THE TOTAL TOT	,	
Recently Closed:							
Springdale planning grant	3S117	19,000	May-08	Jul-08		19,000	19,00
	3S114	100,000	Feb-08	Jul-08		100,000	100,000
Henrieville emergency grant			Sep-02	Sep-08		1,787,000	
Garden City (remaining balance above)	3S048	2,700,000	Sep-uz	3ep-00		1,707,000	
	3S048 3S111	2,700,000	Jan-08	Nov-08	1,923,000	1,767,000	1,923,000

Page 52 of 147

## DIVISION OF DRINKING WATER FEDERAL SRF

AS OF November 30, 2008



# DIVISION OF DRINKING WATER FEDERAL SRF PROJECTS AUTHORIZED BUT NOT YET CLOSED

AS OF NOVEMBER 30, 2008

COMMUNITY	Project		Authorized Date	Closing Date Scheduled	Authori	Authorized From Loan Funds (1st Round)			Hardship Fund
	Total Terms	Loan #			Loan	Forgiveness	Total	(2nd Round) Loan	
Greenwich WWC	320,000 0%, 20 yrs	3F070	Jul-07	Dec-08			0	111,000	110,300
Erda Acres	2,620,000 0% 30 yrs	3F064	Nov-07	Dec-08	2,120,000	500,000	2,620,000		
Springdale w/st loan of \$2 mil	2,769,000 hs grant	3F118	Jul-08	Jan-09			0	0	769,000
East Grouse Creek Pipeline	556,000 0%, 30 yrs	3F077	Jul-08	Feb-09			0	280,000	280,000
Lincoln Culinary Water	450,000 2.63%, 30 yrs 90	K 3F083	Nov-08	Feb-09	360,000	90,000	450,000		
St George	15,000,000 1.77% int 20 yrs	3F047	Mar-05	Mar-09			0	6,000,000	
Enoch	2,500,000 2.33% int 20 yrs	3F081	Jul-08	Jul-09			0	1,910,000	
Central Iron Valley (Skyview)	430,000 hs grant	3F080	Jul-08	Nov-09			0	0	430,000
		TOTAL	CONSTRUCTION	AUTHORIZED:	\$ 2,480,000	\$ 590,000	\$ 3,070,000	\$8,301,000	\$ 1,589,300
PLANNING ADVANCES/OTHER	AUTHORIZED:								
Beaver Dam Water	20,000 planning loan	3F062	May-06	Dec-07			0	4,312	
Leeds Domestic WUA	15,000 planning loan	3F066	Mar-07	Apr-08			0	15,000	
Pinon Forest SSD	15,000 planning loan	3F073	Oct-07	May-08			0	15,000	
Elberta	18,000 planning loan	3F082P	Sep-08				0		
Rural Water Assn of UT (2008)	111,744 Grant	*	Oct-07	Dec-08			0	0	23,881
Rural Water Assn of UT (2009)	122,000 Grant	*	Nov-08	Dec-09			0.1		122,000
		Т	OTAL PLANNING	AUTHORIZED:	\$0		\$0	\$52,312	\$145,881
				L AUTHORIZED	CONSTRUCTION	& PLANNING:	\$3,070,000		\$1,735,181
PROPOSED PROJECTS FOR JA	N 2000.								
Corinne	loan w/500K forg	ino	-					3,600,000	
		ive							
West Corinne	loan							3,496,134	
Hyde Park	loan		-					900,000	
Veyo	planning loan	OTAL PROPOSED I	PO IECTS FOR	THIS MEETING.	\$0		\$0	50,000 \$7,996,134	\$0
	-	OTAL PROPOSED I	ROJECTOTOR		OTAL PROPOSE	D PROJECTS:	\$0		\$0
*RWAU hardship grant is being dis	sbursed monthly			4	OTALT NOT OUT	ED I ROOLO IO.		V.,,,	
RECENT LOAN CLOSINGS:					+				
RECENT LOAN CLOSINGS.									
Canyon Meadows Mutual	550,000 2.67%, 20 yrs	3F085	Oct-08	Nov-08					550,000
Mountain Regional Water	3,026,263 2.0% int, 20 yrs	3F076	Feb-08	Sep-08	3,026,000		3,026,000	0	
Woods Cross	5,000,000 3.49%, 20 yrs	3F072	Nov-07	Sep-08	5,600,000	-	5,600,000	0	
Total Recent Loan Closings					\$8,626,000	\$0	\$8,626,000	\$0	\$550,000
			AVAILABLE	PROJECT FUND	S (1st Round les	ss Authorized):			-\$1,544,180
				PROJECT FUNDS					\$8,290,540
				PROJECT FUN			To a later than		\$374,689
		TOTAL EU	INS AFTER DRO	POSED PROJEC	TS ARE CHARE	D (1st Round):		TO DESCRIPTION OF THE PARTY OF	-\$1,544,180
				POSED PROJEC					\$294,406
Page 54 of 147				OPOSED PROJE					\$374,689

6. 2) PROJECT PRIORITY LIST – Ken Wilde

## DRINKING WATER BOARD PACKET FOR PROJECT PRIORITY LIST

#### Three projects are being added to the Project Priority List:

Hyde Park City, located in Cache County, scored 30.4 points.

Hyde Park City would like to construct a 2MG tank, to replace two existing tanks that are deteriorating, and move their pump station to the new tank site. The estimated project cost is \$2,010,000, they will contribute \$1,010,000.

West Corinne Water Company, located in Box Elder County, scored 18.5 points.

The proposed project includes constructing a 1MG storage tank, install a pressure reducing station and replace undersized distribution pipe. The estimated project cost is \$3,697,000.

Corinne City, located in Box Elder County, scored 16.8 points.

The proposed project includes a 200,000 gallon storage reservoir and transmission line. The estimated project cost is \$3,953,170, they will contribute \$20,000 and expect funding from CDBG of \$300,000.

#### <u>SRF/CONSERVATION COMMITTEE COMMENTS AND RECOMMENDATION:</u>

The Drinking Water Board approve the updated project Priority List.

November 30, 2008

Points

### **Utah Federal SRF Program**

#### **Project Priority List**

**Authorized** 

- 1	rity	Total Requested	\$234,562,167		for Projects totaling	\$374,869,429		\$102,639,963	
-	Priority	System Name	County	Pop.	ProjectTitle	Project Total	Request DWB		
A	115.0	Mountain Regional SSD	Summit	6,549	Dist. System, Booster Station, Fire Hyd.	\$3,026,263	\$3,026,263	\$3,026,263	
AS	103.7	Town of Springdale	Washington	426	1MG tank, replace pipelines	\$2,848,500	\$2,848,500		
P	62.6	Manila	Daggett	620	New tank and lines	\$2,500,000			
N	47.8	Lincoln Culinary Water Co.	Tooele	470	New tank and chlorination building	\$550,920	\$450,000	\$450,000	
NS	42.9	Hinckley Town	Millard	750	Replace distribution lines	\$85,000	\$85,000		
A	39.6	Erda Acres Water Company	Tooele	265	Update lines,well, chlorination facility	\$2,400,000	\$2,100,000	\$2,100,000	
Р	38.0	Teasdale	Wayne	160	System upgrades	\$1,770,000			
A	36.3	St. George 3F047	Washington	50,000	Arsenic Treatment of Gunlock Wells	\$21,550,000	\$10,000,000	\$6,000,000	
	33.3	Tooele County SSD	Tooele		Source, Trans, Treatment, & Storage	\$500,000	\$365,000		
Р	31.0	Paragonah	Iron	470	source development, new lines	\$4,018,900			
N	30.4	Hyde Park	Cache	3,300	Tank, booster station	\$1,910,000	\$900,000		
P	30	Mayfield	Sanpete		Source, treatment, storage, waterline	\$2,657,000			
	22.7	Enoch Municipal Water	Iron	3,430	Upgrade system, add 58,000 ft of line	\$2,406,299	\$1,921,299	\$1,910,000	
N	18.5	West Corrine	Box Elder	1,275	1Mg tank, retrofit well	\$3,696,134	\$3,496,134		
P	17.9	Austin	Sevier	150	Source, treatment, storage, waterline	\$1,040,000			
N	16.8	Corrine City	Box Elder	640	1MG tank, transmission lines	\$3,632,750	\$3,632,750		
P	12.9	Price River	Carbon	7,659	New tank, waterline replacement	\$2,750,000			
Р	12.8	Centerfield	Sanpete	1,200	New tank, upgrade waterlines	\$3,600,000			
A	12.7	Town of Howell	Box Elder	250	100,000 gallon concrete tank	\$245,000	\$86,000		
P	12.6	Enterprise	Washington	1,500	New tank, upgrade waterlines	\$1,917,100			
A	12.3	East Grouse Creek Pipeline Co.	Box Elder		Well Rehabilitation & Well House	\$556,000		\$560,000	
P	9.3	Mapleton City	Utah	7,300	Replace distribution lines	\$15,339,560			
N	8.0	Mountain Valley Water	Salt Lake	48	400,000gal Tank, Trans/Dist Pipelines	\$805,980	\$798,000		
N	5.0	Skyline Mountain SSD	Sanpete		2nd Home Subdivision	\$9,000,000	\$3,000,000		

N = New Application

A = Authorized

P = Potential Project

#### **EMERGENCY FUNDING**

A	100.0 Washington County disaster	Washington	60,000+ Source & Piping Restor	ation \$1,300,000	\$1,000,000	
A	100.0 Enterprise		Flood			\$15,000
A	100.0 Gunlock		Flooding			\$205,000
A	100.0 ST. George		Flooding	\$337,500	\$337,500	\$337,500
N	100.0 Canyon Meadows	Wasatch	Replace main line	\$581,000	\$581,000	\$581,000

	November 30, 2008			<b>Utah Federal S</b>	SRF Pro	ogram	
oints				Project Pri	iority List		
Δ.							Authorized
riority	Total Requested	\$234,	562,167	for Projects totaling	\$374,8	69,429	\$102,639,963
Pric	System Name	County	Pop.	ProjectTitle	Project Total	Request DWB	Funds Authorized

6. 3) SRF APPLICATIONS

6. 3) SRF APPLICATIONSb) St. George City- Michael Grange

# DRINKING WATER BOARD DRINKING WATER SYSTEM CHANGE IN FUNDING SOURCE

#### **STAFF COMMENTS AND REQUEST:**

On March 4, 2005, the Drinking Water Board authorized a twenty-year loan of \$6,000,000 at 1.77% interest to the City of St. George. Staff has requested that the Board replace the assessed interest with a Hardship Grant Assessment of an equal rate, so that the loan will have a 0% Interest Rate and a 1.77% Hardship Grant Assessment per annum to build up that fund.

#### **SRF/CONSERVATION COMMITTEE RECOMMENDATION:**

The Drinking Water Board authorize a 1.77% Hardship Grant Assessment per annum for 20 years to be paid into the Hardship Grant Assessment Fund and reduce the interest rate to 0.0%.

- 6. 3) SRF APPLICATIONS
  - c) Blanding City Rich Peterson

## DRINKING WATER BOARD BOARD PACKET FOR <u>PLANNING GRANT</u>

#### **APPLICANT'S REQUEST:**

The City of Blanding is requesting a Planning Grant in the amount of \$33,000 to prepare a master plan for their City's water system. The estimated cost of the study is \$48,000. They have \$15,000 to contribute toward the project.

#### STAFF COMMENTS & RECOMMENDATIONS:

According to the Tax Commission records, the City's local MAGI is \$34,295 (92.8% of the State's MAGI). However, because of the high number of Native Americans who are not required to file State tax returns and who live in Blanding (over 40% of Blanding's population), an independent income survey was conducted. The median household income level is \$25,724, which is 69.6% of the State MAGI of \$36,960. Blanding's after project water bill is estimated to be 1.73% of this income level.

#### SRF / CONSERVATION COMMITTEE COMMENTS AND RECOMMENDATION:

The Drinking Water Board authorize a \$33,000 planning grant to the City of Blanding to prepare a culinary water system master plan. Conditions include resolving appropriate issues on their compliance report.

City of Blanding January 14, 2009 Page 3

#### PLANNING DESCRIPTION/SCOPE OF WORK:

City of Blanding 20 Year Master Plan

#### **POPULATION GROWTH:**

According to the Governor's Office of Planning and Budget, the Town is estimated to grow at an annual average rate of change of approximately 1% through the year 2030.

	2008	2020	2030	2040	2050
Population	3,162	3,366	3,392	3,989	4,284
Connections	1,104	1,175	1,289	1,393	1,496

#### **COST ESTIMATE:**

Master Plan:	\$48,000.00
Total Planning Cost:	\$48,000.00

#### **COST ALLOCATION:**

The cost allocation proposed for the project is shown below.

Funding Source	Cost Sharing	Percent of Project
DWB Grant	\$33,000	68.75%
City of Blanding	\$15,000	31.25%
Total Amount:	\$48,000	100%

City of Blanding January 14, 2009 Page 4

#### APPLICANT:

City of Blanding 50 North 100 West Blanding, Utah 84511 (435) 678-2791 Ext 302 cwebb@blanding-ut.gov

## PRESIDING OFFICIAL & CONTACT PERSON:

Toni Turk, Mayor 50 North 100 West Blanding, Utah 84511 (435) 678-2791 (435) 678-3312 fax trturk@frontiernet.net

#### **CONSULTING ENGINEER:**

Terry Ekker City of Blanding 50 North 100 West Blanding, Utah 84511 (435) 678-2791 Ext 306 (435) 678-3312 fax tekker@blanding-ut.gov

#### TOWN CLERK:

Jeremy Redd

(435) 678-2791 Ext 301

(435) 678-3312

jredd@blanding-ut.gov

FINANCIAL CONSULTANT:

NONE APPOINTED

ATTORNEY:

NONE APPOINTED

U:\dr\_water\Financial Assistance\ProjectsSRF\Blanding 3S129\Blanding DWB Packet.doc

#### 19001 Blanding Compliance Report December 4, 2008

#### **Administration:**

No Issues

#### **Operator Certification:**

No issues

#### **Bacteriological Information:**

No Issues

#### **Chemical Monitoring:**

No Issues

#### Lead/Copper:

No Issues

#### **Consumer Confidence Report**

No Issues

#### **Physical Facilities:**

No issues

#### **Drinking Water Source Protection:**

No issues

#### Plan Review:

No issues

- 6. 3) SRF APPLICATIONS
  - d) Tridell LaPoint Planning -Gary Kobzeff

#### DRINKING WATER BOARD BOARD PACKET FOR PLANNING LOAN

#### **APPLICANT'S REQUEST:**

The Tridell-LaPoint Water Improvement District is requesting a Planning Advance in the amount of \$10,000 to study and identify alternate routes to deliver untreated water around the Merkley Drop in the event of a failure. The estimated cost of the study is \$10,000.

#### **STAFF COMMENTS & RECOMMENDATIONS:**

Based on their O&M, current debt and expenses, the Town's projected water bill is \$44.50, which is approximately 1.36% of local MAGI, less than the 1.75% minimum required to qualify for a grant. In addition, the Town's local MAGI is \$39,319, 106% of the State's MAGI of \$36,960, greater than the 80% maximum necessary to qualify for a grant. The planning loan would allow Tridell-LaPoint Water Improvement District to identify an alternate route for the raw water for the treatment plant around the Merkley Drop in the event of a failure.

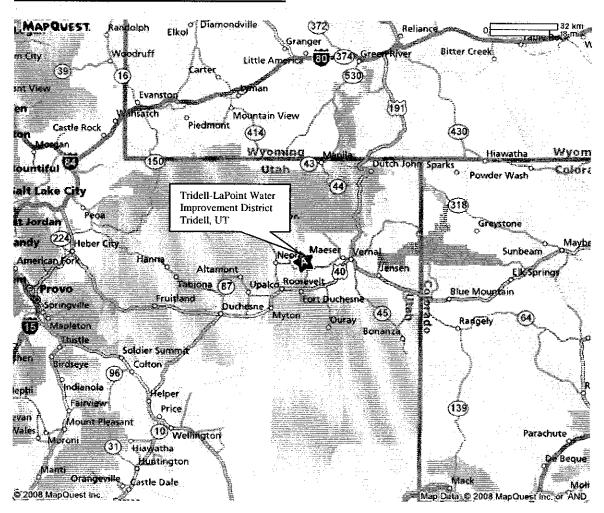
#### SRF/CONSERVATION COMMITTEE COMMENTS AND RECOMMENDATION:

The Drinking Water Board authorize a \$10,000 planning loan to Tridell-LaPoint Water Improvement District at 0.0% interest for 5 years, repaying \$2,000 annually, beginning one year from the date the loan agreement is signed, with the option that the City may roll the balance of any loan principle into a future construction loan at the interest rate established when said construction project is authorized.

#### **APPLICANT'S LOCATION:**

The Town of Tridell is located in Uintah County, approximately 20 miles west of Vernal, Utah.

#### **MAP OF APPLICANT'S LOCATION:**



#### PLANNING DESCRIPTION/SCOPE OF WORK:

The Merkley Drop is a section of the Whiterocks Canal, (which carries the raw water for the Tridell-LaPoint water treatment plant), that falls approximately 100 feet. If the Merkley Drop failed, water for the treatment plant would be reduced or eliminated until repairs could be make to the Drop. The purpose of the study is to identify an alternate route for the raw water for the treatment plant around the Merkley Drop in the event of a failure.

Tridell-Lapoint Water Improvement District January 14, 2009 Page 3

The scope of work will include preliminary survey and topography to identify feasible alignment, capacity calculations for sizing canal, property ownership research for future easement acquisition, and cost estimates.

#### **POPULATION GROWTH:**

According to the Governor's Office of Planning and Budget, the Town is estimated to grow at an annual average rate of change of approximately 1.2% through the year 2030.

	<u>Year</u>	<b>Population</b>	ERC's
Current:	2008	1200	458
Projected:	2030	1560	596

#### **IMPLEMENTATION SCHEDULE:**

Apply to DWB for Planning Funds:	Oct 22, 2008
SRF Committee Conference Call:	Dec 17, 2008
DWB Funding Authorization:	Jan 14, 2009
CIB Authorization:(unless suspend and fund)	N/A
Completion of Master Plan:	Feb 28, 2009

#### **COST ESTIMATE:**

Master Plan:		\$10,000.00
Total Planning Cost:	•	\$10,000.00

#### **COST ALLOCATION:**

The cost allocation proposed for the project is shown below.

Funding Source	Cost Sharing	Percent of Project
DWB Loan	\$10,000	100%
CIB Grant	\$0	0%
Total Amount:	\$10,000.00	100%

Tridell-Lapoint Water Improvement District January 14, 2009 Page 4

APPLICANT:

Tridell-LaPoint Water Improvement District

P.O. Box 760061 Tridell, Utah 84076

Telephone: 435-823-7400

PRESIDING OFFICIAL &

CONTACT PERSON: Jerry Goodrich, System Manager

P.O. Box 760061 Tridell, Utah 84076

Telephone: 435-823-7400 Email: n7jcp@ubtanet.com

**CONSULTING ENGINEER:** 

Daren Anderson

Engineering Services, Inc.

P.O. Box 1485

Vernal, Utah 84078

Telephone: (435) 781-2550 Email: daren@esivernal.com

FINANCIAL CONSULTANT:

None Appointed

ATTORNEY:

None Appointed

#### 24009 Tridell-Lapoint Compliance Report November 4, 2008

#### **Administration:**

No issues

#### **Operator Certification:**

No issues

#### **Bacteriological Information:**

No issues

#### **Chemical Monitoring:**

#### Lead/Copper:

No issues

#### **Consumer Confidence Reports:**

No issues

#### **Physical Facilities:**

No issues

#### **Drinking Water Source Protection:**

No issues

#### Plan Review:

No issues

- 6. 3) SRF APPLICATIONS
  - e) Veyo Culinary Water Association - Gary Kobzeff

## DRINKING WATER BOARD BOARD PACKET FOR <u>PLANNING LOAN</u>

### **APPLICANT'S REQUEST:**

The Veyo Culinary Water Association is requesting a Planning Advance in the amount of \$35,650 to update their Culinary Water System Master Plan. The total estimated cost of the study is \$50,650. The Applicant is anticipating receiving a planning grant from the USDA Rural Development for the remaining \$15,000.

### STAFF COMMENTS & RECOMMENDATIONS:

Based on their O&M, current debt and expenses, the Applicant's projected water bill is \$28.23, which is approximately 1.06% of local MAGI, less than the 1.75% minimum required to qualify for a grant. In addition, the Applicant's local MAGI is \$31,966, 86% of the State's MAGI of \$36,960, which is greater than the 80% maximum necessary to qualify for a grant. The planning loan would allow the Veyo Culinary Water Association to develop a Culinary Water System Master Plan to identify and properly address current and future needs of the area and their system, and to determine what facilities will allow the Applicant to meet the needs of the community.

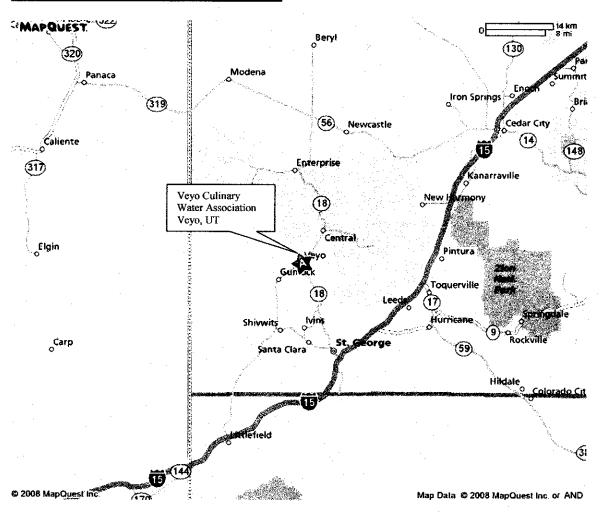
### SRF/CONSERVATION COMMITTEE COMMENTS AND RECOMMENDATION:

The Drinking Water Board authorize a \$35,650 planning loan to the Veyo Culinary Water Association at 0.0% for 5 years, repaying approximately \$7,130 annually, beginning one year from the date the loan agreement is signed, with the option that the Applicant may roll the balance of any loan principle into a future construction loan at the interest rate established when said construction project is authorized. Conditions include resolving appropriate issues on their compliance report.

### **APPLICANT'S LOCATION:**

The Town of Veyo is located in Washington County, approximately 19 miles north of St. George, Utah.

### **MAP OF APPLICANT'S LOCATION:**



# PLANNING DESCRIPTION/SCOPE OF WORK:

The master plan will include a survey of the existing system and create a model to show deficiencies and drinking water issues that the current system has. The master plan will delineate the most critical improvements for the system as well as long term improvements that are needed.

# **POPULATION GROWTH:**

According to the Governor's Office of Planning and Budget, the Community is estimated to grow at an annual average rate of change of approximately 1.2% through the year 2030.

	<u>Year</u>	<u>Population</u>	ERC's
Current:	2008	724	321
Projected:	2030	901·	399

# **IMPLEMENTATION SCHEDULE:**

Apply to DWB for Planning Funds:	Oct 28, 2008
SRF Committee Conference Call:	Dec 17 2008
DWB Funding Authorization:	Jan 14, 2009
USDA Rural Development Funding Authorization:	N/A
Completion of Master Plan:	March 09, 2009

# **COST ESTIMATE:**

Master Plan:	\$50,650
Total Planning Cost:	\$50,650

# **COST ALLOCATION:**

The cost allocation proposed for the project is shown below.

Funding Source	Cost Sharing	Percent of Project
DWB Loan	\$35,650	70%
USDA Rural Dev. Grant	\$15,000	30%
Total Amount:	\$50,650	100%

Veyo Culinary Water Association January 14, 2009 Page 4

APPLICANT:

Veyo Culinary Water Association

176 South Spanish Trail Drive

Veyo, Utah 84782

Telephone: 435-574-2437

PRESIDING OFFICIAL & CONTACT PERSON:

Keith Jones, President

176 South Spanish Trail Drive

Veyo, Utah 84782

Telephone: 435-574-2437 Email: veyowater@gmail.com

**CONSULTING ENGINEER:** 

Kelly Crane

Nolte Associates

1870 North Main Suite 102 Cedar City, Utah 84721 Telephone: (435) 865-1453 Email: kelly.crane@nolte.com

FINANCIAL CONSULTANT:

None Appointed

ATTORNEY:

None Appointed

# 27019 Veyo Culinary Water Compliance Report November 4, 2008

### **Administration:**

System lacks written records and enforcement plan

# **Operator Certification:**

No issues

# **Bacteriological Information:**

No issues

### **Chemical Monitoring:**

### Lead/Copper:

No data received for 2005-2007. Have not received data for 2008-2010 yet.

# **Consumer Confidence Reports:**

No issues

# **Physical Facilities:**

No issues

### **Drinking Water Source Protection:**

No issues

### Plan Review:

No issues

- 6. 3) SRF APPLICATIONS
  - f) Kingston Town
    - Rich Peterson

### DRINKING WATER BOARD BOARD PACKET FOR EMERGENCY CONSTRUCTION LOAN

### **APPLICANT'S REQUEST:**

Kingston Town is requesting emergency funding of \$113,000 to repair their storage tank that is leaking. They currently have 76 connections. They have some of their own money available, but are hoping to receive a grant. They would like to begin construction ASAP, since the winter months are the best time to drain their tank. They are planning to place a liner inside their existing 250,000 gallon tank. This tank is the only storage tank for their system. The SRF/Conservation Committee discussed whether or not the Town should be required to repay the loan over a shorter period of time. They may ask the Town to consider repaying the loan in 10 or 15 years.

### **STAFF COMMENTS & RECOMMENDATIONS:**

The Town's local MAGI is \$20,258 (55% of the State's MAGI). Their current water bill is 2.23% of local MAGI and their anticipated water bill is 2.24% (based on the recommendation presented below). They qualify for a 2.83% interest rate.

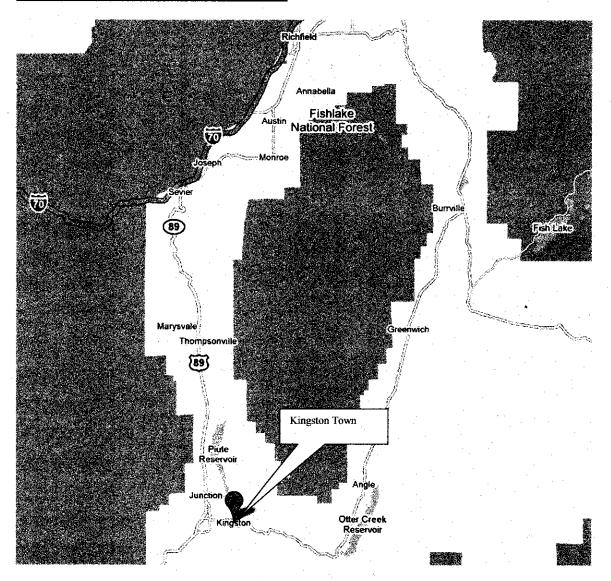
#### SRF / CONSERVATION COMMITTEE COMMENTS AND RECOMMENDATION:

The Drinking Water Board authorize a \$56,000 grant and a \$57,000 construction loan at 0.0% Interest for 20 years to Kingston Town. Conditions include resolving appropriate issues on their compliance report.

# **APPLICANT'S LOCATION:**

Kingston Town is located in Piute County, approximately 33 miles east of St. George, Utah.

### **MAP OF APPLICANT'S LOCATION:**



# PLANNING DESCRIPTION/SCOPE OF WORK:

Emergency lining of the inside of their existing water tank.

# **POPULATION GROWTH:**

According to the Governor's Office of Planning and Budget, the Town is estimated to grow at an annual average rate of change of approximately 1% through the year 2030.

	2008	2020	2030	2040	2050
Population	142	176	177	189	200
Connections	88	109	110	117	124

### **COST ESTIMATE:**

Legal	\$8,000
Administrative	\$3,000
Design	\$7,000
Construction Observation	\$5,000
Construction	\$79,000
Contigency	\$11,000
Total Planning Cost:	\$113,000.00

# **COST ALLOCATION:**

The cost allocation proposed for the project is shown below.

Funding Source	Cost Sharing	Percent of Project
DWB Loan	\$57,000	50%
DWB Grant	\$56,000	50%
Kingston Town	0	0%
Total Amount:	\$113,000.00	100%

Kingston Town January 14, 2009 Page 4

APPLICANT:

**PO Box 415** 

Kingston, UT 84743

435-577-2967

PRESIDING OFFICIAL &

CONTACT PERSON:

Carlos Jessen, Mayor

PO Box 415

Kingston, UT 84743

435-577-2967

**CONSULTING ENGINEER:** 

Robert Worley

Sunrise Engineering, Inc.

25 East 500 North Fillmore UT 84631 435-743-6151 435-743-7900 fax

rworley@sunrise-eng.com

**TOWN CLERK:** 

Leesa Tenney

435-467-1818

FINANCIAL CONSULTANT:

DougNielsen

Sunrise Engineering, Inc.

25 East 500 North Fillmore UT 84631 435-743-6151 435-743-7900 fax

dnielsen@sunrise-eng.com

ATTORNEY:

n/a

U:\dr\_water\Financial Assistance\ProjectsSRF\Kingston\_3S130\Kingston DWB Packet.doc

# DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Kingston

FUNDING SOURCE: State SRF

COUNTY: Piute

PROJECT DESCRIPTION: Water Tank liner

# 50.4 % Loan & 49.6 % Grant

ESTIMATED POPULATION:	142	NO. OF CONNECTIONS:	76	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$37.68 *			PROJECT TOTAL:	\$113,000
CURRENT % OF AGI:	2.23%	FINANCIAL PTS:	56	LOAN AMOUNT:	\$57,000
ESTIMATED MEDIAN AGI:	\$20,258			GRANT AMOUNT:	\$56,000
STATE AGI:	\$36,960			TOTAL REQUEST:	\$113,000
SYSTEM % OF STATE AGI:	55%		•		

	@ ZERO %	@ RBBI			AFTER REPAYMENT
·	RATE	MKT RATE	·		PENALTY & POINTS
	0%	6.06%	·		0.00%
ASSUMED LENGTH OF DEBT, YRS:	20	20		•	20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	6.06%			0.00%
REQUIRED DEBT SERVICE:	\$2,850.00	\$4,993.75	·		\$2,850.00
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00			\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$285.00	\$499.38			\$285.00
ANNUAL DEBT PER CONNECTION:	\$41.25	\$72.28			\$41.25
O & M + FUNDED DEPRECIATION:	\$6,500.00	\$6,500.00			\$6,500.00
OTHER DEBT + COVERAGE:	\$22,085.00	\$22,085.00	i e		\$22,085.00
REPLACEMENT RESERVE ACCOUNT:	\$2,735.90	\$2,843.09			\$2,735.90
NEEDED SYSTEM INCOME:	\$31,320.90	\$31,428.09			\$31,320.90
ANNUAL O&M PER CONNECTION:	\$412.12	\$413.53	·		\$412.12
AVG MONTHLY WATER BILL:	\$37.78	\$40.48			\$37.78
% OF ADJUSTED GROSS INCOME:	2.24%	2.40%			2.24%

<sup>\*</sup> Current water bill is based on 2006 Revenue & number of connections

# Kingston

### PROPOSED BOND REPAYMENT SCHEDULE

50.4 % Loan & 49.6 % Grant

PRINCIPAL	\$57,000.00	ANTICIPATED CLOSING DATE	15-Feb-09
INTEREST	0.00%	P&I PAYMT DUE	01-Jan-11
TERM	20	REVENUE BOND	
NOMIN. PAYMENT	\$2,850.00	PRINC PREPAID:	\$0.00

	BEGINNING	DATE OF				ENDING	PAYM
YEAR	BALANCE	PAYMENT	PAYMENT	PRINCIPAL	INTEREST	BALANCE	NO.
2010	\$57,000.00		\$0.00 *	\$0.00	\$0.00	\$57,000.00	0
2011	\$57,000.00		\$2,000.00	\$2,000.00	\$0.00	\$55,000.00	1
2012	\$55,000.00		\$2,000.00	\$2,000.00	\$0.00	\$53,000.00	2
2013	\$53,000.00		\$2,000.00	\$2,000.00	\$0.00	\$51,000.00	3
2014	\$51,000.00		\$3,000.00	\$3,000.00	\$0.00	\$48,000.00	4
2015	\$48,000.00		\$3,000.00	\$3,000.00	\$0.00	\$45,000.00	5
2016	\$45,000.00		\$3,000.00	\$3,000.00	\$0.00	\$42,000.00	6
2017	\$42,000.00		.\$3,000.00	\$3,000.00	\$0.00	\$39,000.00	7
2018	\$39,000.00		\$3,000.00	\$3,000.00	\$0.00	\$36,000.00	8
2019	\$36,000.00		\$3,000.00	\$3,000.00	\$0.00	\$33,000.00	9
2020	\$33,000.00		\$3,000.00	\$3,000.00	\$0.00	\$30,000.00	10
2021	\$30,000.00		\$3,000.00	\$3,000.00	\$0.00	\$27,000.00	11
2022	\$27,000.00		\$3,000.00	\$3,000.00	\$0.00	\$24,000.00	12
2023	\$24,000.00		\$3,000.00	\$3,000.00	\$0.00	\$21,000.00	13
2024	\$21,000.00	4	\$3,000.00	\$3,000.00	\$0.00	\$18,000.00	14
2025	\$18,000.00		\$3,000.00	\$3,000.00	\$0.00	\$15,000.00	15
2026	\$15,000.00		\$3,000.00	\$3,000.00	\$0.00	\$12,000.00	16
2027	\$12,000.00		\$3,000.00	\$3,000.00	\$0.00	\$9,000.00	17
2028	\$9,000.00		\$3,000.00	\$3,000.00	\$0.00	\$6,000.00	18
2029	\$6,000.00	•	\$3,000.00	\$3,000.00	\$0.00	\$3,000.00	19
2030	\$3,000.00		\$3,000.00	\$3,000.00	\$0.00	\$0.00	20
			\$57,000.00	\$57,000.00	\$0.00		

<sup>\*</sup>Interest Only Payment

# Kingston

DWB Loan Terms		
Local Share (total):	\$	-
Other Agency Funding:	\$	-
DWB Grant Amount:	\$.	56,000
DWB Loan Amount:	s	57,000
DWB Loan Term:		20
DWB Loan Interest:		0.00%
DWB Loan Payment:	\$	2,850

DW Expenses (Estimated)	
Proposed Facility Capital Cost:	\$ 113,570
Existing Facility O&M Expense:	\$ 6,500
Proposed Facility O&M Expense:	\$ 6,500
O&M Inflation Factor:	1.0%
Existing Debt Service:	\$ 17,668

DW Revenue Sources (Projected)	
Beginning Cash:	\$
Existing Customers (ERC):	76
Projected Growth Rate:	0.5%
Impact Fee/Connection Fee:	\$ 1,500
Current Monthly User Charge:	\$ 37.68
Needed Average Monthly User Charge:	\$ 37.78

$\mathbf{DW}$	Revenue	Proje	ctions

	Growth	Annual	Total					•				Existing			Debt
	Rate	Growth	Users	User Charge	Impact Fee	Total	DWB Loan	DWB Loan	Remaining	Principal	Interest	DW Debt	O&M	Total	Service
Yr	(%)	(ERC)	(ERC)	Revenue	Revenue	Revenue	Repayment	Reserves	Principal	Payment	Payment	Service	Expenses	Expenses	Ratio
0	0.5%	0	76	34,365		34,365	-		57,000		-	17,668	6,500	24,168	-
l	0.5%	0	76	34,456	•	34,456	2,000	285	55,000	. 2,000	-	17,668	6,500	26,453	1.42
2	0.5%	1	77	34,909	1,500	36,409	2,000	285	53,000	2,000	-	17,668	6,565	26,518	1.52
3	0.5%	0	77	34,909	-	34,909	2,000	285	51,000	2,000	-	17,668	6;631	26,584	1.44
4	0.5%	1	78	35,363	1,500	36,863	3,000	285	48,000	3,000	-	17,668	6,697	27,650	1.46
5	0.5%	0	78	35,363	-	35,363	3,000	285	45,000	3,000	-	. 17,668	6,764	27,717	1.38
6	0.5%	0	78	35,363	-	35,363	3,000	285	42,000	3,000	-	17.668	6,832	27,785	1.38
7	0.5%	1	79	35.816	1,500	37,316	3,000	285	39,000	3,000	-	17,668	. 6,900	27,853	1.47
8	0.5%	0	79	35,816	÷ .	35,816	3,000	285	36,000	3,000	-	17,668	6,969	27,922	1.40
9	0.5%	0	79	35,816	-	35,816	3,000	285	33,000 -	3,000	-	17,668	7,039	27,992	1.39
10	0.5%	1	80	36,269	1,500	37,769	3,000	285	30,000	3,000	-	17,668	7,109	28,062	1.48
11	0.5%	0	80	36,269	-	36,269	3,000		27,000	3,000	-	17,668	7,180	27,848	1.41
12	0.5%	i	81	36,723	1,500	38,223	3,000		24,000	3,000	-	17,668	7,252	27,920	1.50
13	0.5%	0	81	36,723		36,723	3,000		21,000	3,000	-	17,668	7,324	27,992	1.42
1.4	0.5%	0	81	36,723	-	36,723	3,000		18,000	3,000	*	17,668	7,398	28,066	1.42
15	0.5%	1	82	37,176	1,500	38,676	3,000		15,000	3,000	-	17,668	7,472	28,140	1.51
16	0.5%	. 0	82	37,176	•	37,176	3,000		12,000	3,000		17,668	7,546	28,214	1.43
17	0.5%	1	83	37,629	1,500	39,129	3,000		9,000	3,000	-	17,668	7,622	28,290	1.52
18	0.5%	0	83	37,629	-	37,629	3,000		6,000	3,000		17,668	7,698	28,366	1.45
19	0.5%	1	84	38,083	1,500	39,583	3,000		3,000	3.000	=	17,668	7,775	28,443	1.54
20	0.5%	0	84	38,083	-	38,083	3,900			3,000		17,668	7,853	28,521	1.46
								Total Paid in	Debt Service =	57,000					

57,000

# 16004 Kingston Compliance Report December 22, 2008

Operator lacks CCC training.		
<b>Bacteriological Information:</b>		
No issues.		
Chemical Monitoring:		
No issues.		•
Lead/Copper:		
No issues.		
Consumer Confidence Reports:		
No issues.	,	
Physical Facilities:		
No issues.		
<b>Drinking Water Source Protection:</b>		
Kingston has failed to submit updates for t in violation of R309-600.	heir Drinking Water Source Pr	rotection pla
Plan Review:		
Lack plan approval and Operating permit of	on tank.	. •

**Administration:** 

**Operator Certification:** 

No issues.

- 6. 3) SRF APPLICATIONS
  - g) Hyde Park
    - Julie Cobleigh

# DRINKING WATER BOARD BOARD PACKET FOR CONSTRUCTION LOAN AUTHORIZATION

### **APPLICANT'S REQUEST:**

Hyde Park City is requesting financial assistance in the amount of \$1,000,000 to construct a 2.0 Million Gallon water storage tank which will replace two existing tanks that are deteriorating and inadequately sized. The project will also entail moving the existing booster pump station to the new tank site. The cost of the entire project is estimated to be approximately \$2,010,000. Hyde Park City will contribute \$1,010,000 for the project. The water system scored 30.4 points on the project priority list.

### **STAFF COMMENTS AND RECOMMENDATIONS:**

Hyde Park City has recently completed a culinary water system master plan and capital facility plan. The master plan has identified and prioritized projects that must be completed by the City in order to correct existing deficiencies in the system as well as to provide facilities to meet anticipated growth. The master plan has specifically addressed concerns that the two lower water storage tanks are leaking and inadequately sized for optimal pumping of the wells as well as for supporting the increasing demand.

Based on local MAGI, and projected expenses, the City <u>does not</u> qualify for principle forgiveness. The local MAGI of \$51,908 is 140% of the State's. The calculated water bill after construction of the proposed project is approximately \$24 which is .56% of local MAGI. The City is already charging higher water rates in order to save money for future capital improvement projects and reduce the amount of money they must borrow to pay for said future parojects.

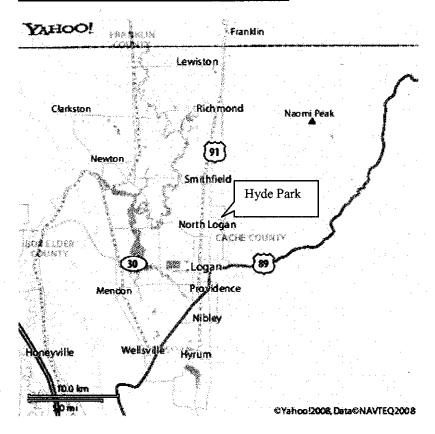
#### SRF/CONSERVATION COMMITTEE RECOMMENDS:

The Drinking Water Board authorize a \$1,000,000 construction loan to Hyde Park City with a 2.97% Hardship Grant Assessment per annum for 20 years to be paid into the Hardship Grant Fund, with the condition that they resolve all the issues in their compliance report. A 1% loan origination fee of \$10,000 will be assessed, which can either be absorbed by the authorized loan amount or paid by the City out of city funds at loan closing.

### **APPLICANT'S LOCATION:**

Hyde Park City is located in Cache County.

### **MAP OF APPLICANT'S LOCATION:**



### **POSITION ON PROJECT PRIORITY LIST:**

Hyde Park City has 30.4 points on the project priority list.

#### PROJECT DESCRIPTION:

The proposed project includes replacing the two lower storage tanks, totaling 225,000 gallons, which are inadequately sized and either leaking or are in questionable structural condition, with a 2.0 MG tank to meet the demand at build out. The booster pump station currently used to pump water from the lower tanks to the middle tank will need to be relocated with the construction of the new tank.

### **ALTERNATIVES EVALUATED:**

The consulting engineer evaluated the following system alternatives:

- 1. Alternative #1 involved optimizing current facilities (no action).
- 2. Alternative #2 involved replacing the two existing lower tanks with a 1.25 MG water storage tank which will meet the demand over the next 20 years.
- 3. Alternative #3 involved replacing the two existing lower tanks with a 2.0 MG water storage tank which will meet the demand at build out. This was the selected alternative based on the obvious advantage of building a bigger tank and the relatively nominal difference in cost.

### **POPULATION GROWTH:**

The Governor's Office of Planning and Budget estimates a growth rate of approximately 2.05% over the next 25 years for Hyde Park City.

	<u>Year</u>	<u>Population</u>	ERC's
Current:	2008	3,579	1,096
Projected:	2030	5,728	1,757

The engineer estimates a much higher growth rate of 5% yearly for residential and 3% yearly for industrial connections.

### **IMPLEMENTATION SCHEDULE:**

	•
Apply to DWB for Construction Funds:	November 2008
SRF Committee Conference Call:	December 2008
DWB Funding Authorization:	January 2009
Advertise Environmental Assessment:	February 2009
Complete Design:	November 2008
Plan Approval:	December 2008
Advertise for Bids:	March 2009
Bid Opening:	April 2009
Loan Closing:	April 2009
Begin Construction:	May 2009
Complete Construction:	November 2009
Receive Operating Permit:	December 2009

### **COST ESTIMATE:**

Legal	\$17,000
Engineering- Design	\$64,500
Engineering- CMS	\$135,000
Engineering- Bidding	\$3,420
Construction- Tank	\$1,340,000
Construction- Pump Station	\$97,080
Land Acquisition	\$100,000
Contingency	\$243,000
Loan Origination Fee	\$10,000
<b>Total Project Cost:</b>	\$2,010,000

### **COST ALLOCATION:**

The cost allocation proposed for the project is shown below.

Cost Sharing	Percent of Project
\$1,000,000	49%
\$1,010,000	<u>51%</u>
\$2,010,000	100%
	\$1,000,000 \$1,010,000

### **ESTIMATED ANNUAL COST OF WATER SERVICE:**

Operation and Maintenance plus Depreciation: \$119,991.00

Existing DW Debt Service: \$143,906.25

DDW Debt Service (2.97%, 20-yrs): \$67,029.41

DDW Debt Reserve: \$6,702.94

Replacement Reserve Account: \$19,545.27

Annual Cost/ERC: \$288.25 Monthly Cost/ERC: \$24.02 Cost as % MAGI: .56%

### **SPECIAL CONDITIONS:**

1. Complete all items as stated in the Engineering Agreement between Hyde Park and Sunrise Engineering.

Hyde Park City Page 5 January 14, 2008

APPLICANT:

Hyde Park City 113 Hyde Park Lane Hyde Park, Utah 84318 Telephone: (435) 563-6507

PRESIDING OFFICIAL & CONTACT PERSON:

Brian Cox, City Council Member

102 North 300 East Hyde Park, Utah 84318

(435) 563-9195

**CONSULTING ENGINEER:** 

Scott Archibald, P.E. Sunrise Engineering 26 South Main Street Smithfield, Utah 84335 Telephone: (435) 563-3734

Email: sarchibald@sunrise-eng.com

FINANCIAL CONSULTANT:

Diana Cannell

Peterson Allred Jackson

2100 North Main

North Logan, Utah 84341 Telephone: (435) 752-6441 Email: firm@pajcpa.com

ATTORNEY:

Bruce Jorgensen Olson Hoggan 130 South Main Logan, Utah 84323

Telephone: (435) 752-1551

# DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Hyde Park

FUNDING SOURCE: Federal SRF

COUNTY: Cache

PROJECT DESCRIPTION: New Tank and Booster Pump

# 100 % Loan & 0 % P.F.

ESTIMATED POPULATION:	3,579	NO. OF CONNECTIONS:	1096	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$35.23 *		·	PROJECT TOTAL:	\$2,010,000
CURRENT % OF AGI:	0.81%	FINANCIAL PTS:	52	LOAN AMOUNT:	\$1,000,000
ESTIMATED MEDIAN AGI:	\$51,908		PR	INC. FORGIVENESS:	\$0
STATE AGI:	\$36,960			TOTAL REQUEST:	\$1,000,000
SYSTEM % OF STATE AGI:	140%				

	@ ZERO %	@ RBBI		AFTER REPAYMENT
	RATE	MKT RATE		PENALTY & POINTS
	0%	5.56%	•	2.97%
ASSUMED LENGTH OF DEBT, YRS:	20	20		20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	5.56%		2.97%
REQUIRED DEBT SERVICE:	\$50,000.00	\$84,096.38	•	\$67,029.41
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$5,000.00	\$8,409.64		\$6,702.94
ANNUAL DEBT PER CONNECTION:	\$50.18	\$84.40	•	\$67.27
O & M + FUNDED DEPRECIATION:	\$119,991.00	\$119,991.00		\$119,991.00
OTHER DEBT + COVERAGE:	\$143,906.25	\$143,906.25	e e	\$143,906.25
REPLACEMENT RESERVE ACCOUNT:	\$18,693.80	\$20,398.62		\$19,545.27
NEEDED SYSTEM INCOME:	\$241,341.05	\$243,045.87		\$242,192.52
ANNUAL O&M PER CONNECTION:	\$220.20	\$221.76		\$220.98
AVG MONTHLY WATER BILL:	\$22.53	\$25.51		\$24.02
% OF ADJUSTED GROSS INCOME:	0.52%	0.59%		0.56%

<sup>\*</sup> Current water bill is based on 2007 Revenue & number of connections

# Hyde Park

ANTICIPATED CLOSING DATE

P&I PAYMT DUE

\$46,000.00

\$47,000.00

\$49,000.00

\$50,000.00

\$51,000.00

\$53,000.00

\$55,000.00

\$56,000.00

#### PROPOSED BOND REPAYMENT SCHEDULE

\$714,000.00

\$668,000.00

\$621,000.00

\$572,000.00

\$522,000.00

\$471,000.00

\$418,000.00

\$363,000.00

\$1,000,000.00

2 97%

PRINCIPAL

INTEREST

100 % Loan & 0 % P.F.

8

9

10

11

12

13

14

15

16

17

18

19

20

\$668,000.00

\$621,000.00

\$572,000.00

\$522,000.00

\$471,000.00

\$418,000.00

\$363,000.00

\$307,000.00

\$249,000.00

\$189,000.00

\$128,000.00

\$65,000.00

\$0.00

01-Apr-09

01-.lan-11

\$21,205.80

\$19,839.60

\$18,443.70

\$16,988.40

\$15,503.40

\$13,988.70

\$12,414.60

\$10,781.10

		TERM NOMIN. PAYMENT	RM 20		REVENUE BOND PRINC PREPAID:	\$0.00		
	YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
	2010	\$1,000,000.00		\$22,275.00 *	\$0.00	\$22,275.00	\$1,000,000.00	0
	2011	\$1,000,000.00		\$66,700.00	\$37,000.00	\$29,700.00	\$963,000.00	1
	2012	\$963,000.00		\$66,601.10	\$38,000.00	\$28,601.10	\$925,000.00	2
	2013	\$925,000.00		\$67,472.50	\$40,000:00	\$27,472.50	\$885,000.00	3
	2014	\$885,000.00		\$67,284.50	\$41,000.00	\$26,284.50	\$844,000.00	4
	2015	\$844,000.00	•	\$67,066.80	\$42,000.00	\$25,066.80	\$802,000.00	5
	2016	\$802,000.00		\$66,819.40	\$43,000.00	\$23,819.40	\$759,000.00	6
	2017	\$759,000.00		\$67,542.30	\$45,000.00	\$22,542.30	\$714,000.00	7

2026 \$307,000.00 \$67,117.90 \$58,000.00 \$9,117.90 2027 \$249,000.00 \$67,395.30 \$60,000.00 \$7,395.30 2028 \$66,613.30 \$61,000.00 \$189,000.00 \$5,613.30 2029 \$128,000.00 \$66,801.60 \$63,000.00 \$3,801.60 \$65,000.00 2030 \$66,930.50 \$1,930.50 \$65,000.00 \$1,362,785.50 \$1,000,000.00 \$362,785.50

\$67,205.80

\$66,839.60

\$67,443.70

\$66,988.40

\$66,503.40

\$66,988.70

\$67,414.60

\$66,781.10

2018

2019

2020

2021

2022

2023

2024

2025

<sup>\*</sup>Interest Only Payment

# Hyde Park

DWB Loan Terms	<u> </u>
Local Share (total):	\$ 1,010,000
Other Agency Funding:	\$ -
DWB Grant Amount:	\$ -
DWB Loan Amount:	\$ 1,000,000
DWB Loan Term:	20
DWB Loan Interest:	2.97%
DWB Loan Payment:	\$ 67,029

8	2,020,000
\$	119,991
5	119,991
	1.0%
\$	115,125
	\$ \$ \$

DW Revenue Sources (Projected)	
Beginning Cash:	\$ -
Existing Customers (ERC):	1,096
Projected Growth Rate:	2.1%
Impact Fee/Connection Fee:	\$ 1,875
Current Monthly User Charge:	\$ 35.23
Needed Average Monthly User Charge:	\$ 24.02

DW	Revenue	<b>Projections</b>
----	---------	--------------------

	Growth	Annual	Total									Existing			Debt
	Rate	Growth	Users	User Charge	Impact Fee	Total	DWB Loan	DWB Loan	Remaining	Principal	Interest	DW Debt	O&M	Total	Service
Yr	(%)	(ERC)	(ERC)	Revenue	Revenue	Revenue	Repayment	Reserves	Principal	Payment	Payment	Service	Expenses	Expenses	Ratio
0	2.1%	22	1,096	463,297	41,250	504,547	-	-	1,000,000	-	·	115,125	119,991	235,116	
1	2.1%	22	1,118	322,266	41,250	363,516	66,700	6,703	963,000	37,000	29,700	115,125	119,991	308,519	1.34
2	2.1%	23	1,141	328,896	43,125	.372,021	66,601	6,703	925,000	38,000	28,601	115,125	121,191	309,620	1.38
3	2.1%	24	1,165	335.814	45,000	380,814	67,473	6,703	885,000	40,000	27,473	115,125	122,403	311,703	1.42
4	2.1%	24	1,189	342,732	45,000	387,732	67,285	6,703	844,000	41,000	26,285	115,125	123,627	312,739	1.45
5	2.1%	24	1,213	349,650	45,000	394,650	67,067	6,703	,802,000	42,000	25,067	115,125	124,863	313,758	1.48
6	2.1%	25	1,238	356,857	46,875	403,732	66,819	6,703	759,000	43,000	23,819	115,125	126,112	314,759	1.53
7	. 2.1%	25	1,263	364,063	46,875	410,938	67,542	6,703	714,000	45,000	22,542	115,125	127,373	316,743	1.55
. 8	2.1%	26	1,289	371,558	48,750	420,308	67,206	6,703	668,000	46,000	21,206	115,125	128,647	317,680	1.60
9	2.1%	27	1,316	379,340	50,625	429,965	66,840	6,703	621,000	47,000	19,840	115,125	129,933	318.601	1.65
10	2.1%	27	1,343	387,123	50,625	437,748	67,444	6,703	572,000	49,000	18,444	115,125	131,232	320,504	1.68
11	2.1%	27	1,370	394,906	50,625	445,531	66,988		522,000	50,000	16,988	115,125	132,545	314,658	1.72
.12	2.1%	28	1,398	402,977	52,500	455,477	66,503		471,000	51,000	15,503	115,125	133,870	315,499	1.77
13	2.1%	29	1,427	411.336	54,375	465,711	66,989		418,000	53,000	13,989	115,125	135,209	317,323	1.81
14	2.1%	29	1,456	419,696	54,375	474,071	67,415		363,000	55,000	12,415	115,125	136,561	319,101	1.85
15	2.1%	30	1,486	428,343	56,250	484,593	66,781		307,000	56,000	10,781	115,125	137.927	319,833	. 1.91
16	2.1%	30	1,516	436,991	56,250	493,241	67,118		249,000	58,000	9,118	115,125	139,306	321,549	1.94
17	2.1%	32	1,548	446,215	60,000	506,215	67,395	•	189,000	60,000	7,395	115,125	140,699	323,219	2.00
18	2.1%	. 31	1,579	455,151	58,125	513,276	66,613		128,000	61,000	5,613	115,125	142,106	323,844	2.04
19	2.1%	33	1,612	464,663	61,875	526,538	66,802		65,000	63,000	3,802	115,125	143,527	325,454	2.11
20	2.1%	33	1,645	474,176	61,875	536,051	66,931		-	65,000	1,931	115,125	144,962	327,018	2.15
								Total Paid in	Debt Service =	1.000.000	340,511				

# 03007 Hyde Park Compliance Report November 4, 2008

# **Administration:**

No issues

# **Operator Certification:**

No issues

### **Bacteriological Information:**

No issues

### **Chemical Monitoring:**

# **Lead/Copper:**

Need 2008-2010 data

# **Consumer Confidence Reports:**

No issues

### **Physical Facilities:**

Storage facility is leaking and shows evidence of water intrusion

# **Drinking Water Source Protection:**

No issues

### **Plan Review:**

Last plans submitted in 1998, no plan approval or operating permit for Park Meadows subdivision